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2003 SENATE NATURAL RESOURCES

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12/2/03

CHARLE STREET

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2283

Senate Natural Resources Committee

☐ Conference Committee

Hearing Date 2-7-03

Tape Number	Side A	Side B	Meter #
1	X		32.9 - end
		X	.0 - end
2	X		0.0 - 6.7
Committee Clerk Signatur	e Jane	t James	

Minutes:

Senator Ben Tollefson, Vice Chairman of the Senate Natural Resources Committee opened the hearing on SB 2283 relating to duration of conservation easements.

All the member of the committee were present.

Senator Tim Mathern of District 11 cosponsor of SB 2283 introduced the bill (See attached testimony).

Rosemarie Myrdai, (47.1) former Lieutenant Governor testified in support of SB 2283 (See attached testimony).

Bill Price of Price, North Dakota testified in support of SB 2283 stating he wants to protect land from development. By doing an easement he still has his land in agriculture and has this supplemental income. He feels it is his right as a landowner to have these easements.

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Senate Natural Resources Committee
Bill/Resolution Number SB 2283
Hearing Date 2-7-03

Pat Wachter a third generation landowner north of Bismarck testified in support of SB 2283. He has developed land but and stated that an easement is another tool or option as to what can be done with the land.

Andy Mork (5.8) of rural Mandan testified in support of SB 2283 (See attached testimony).

Lance Yohe (13.8) Executive Director of the Red Rive Basin Commission testified in support of SB 2283 (See attached testimony).

David Borlang. President of the North Dakota Lewis & Clark Bicentennial Foundation testified in support of SB 2283 (See attached testimony). He also stated that the thing that has been overlooked in this testimony is that a private landowner who wants to protect his land may grant that it as a charitable donation whoever the IRS will only allow that for a tax deduction unless it is a perpetual easement and this is the issue that they as a charitable organization has.

Bruce Bair (18.2) a Mandan landowner testified in support of SB 2283. He described the land that he owns in a family partnership. He talked about the economics of the is land and have three options:

- 1. Break up the land and use for agriculture
- 2. Divide it into tracks and sell it off
- 3. Enter in some kind of conservation easement to preserve the land in its present use.

The problem with this third options has a huge problem in North Dakota. Unlimited easements is what we need and would be provided by this bill.

Senator Tollesson asked for testimony in opposition to SB 2283.

Wade Mosser (21.6) of the North Dakota Stockman's Association testified in opposition to SB

2283 He submitted a newspaper article (attached). He talked about the tax consequences and the

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Senate Natural Resources Committee
Bill/Resolution Number SB 2283
Hearing Date 2-7-03

Bush tax law is on the right track. Another problem is with the IRS. Maybe some of these easements should be written up for agriculture and not just conservation.

Senator Tollesson asked if the state's Washington delegation has been of any help.

<u>Wade Mosser</u> respond the they have not been of any help to look into the IRS rules to allow rancher and producers who want to put short term easement for a tax break.

Chuck Damchem (30.8) past president of the Landowners Association of North Dakota (LAND) testified in opposition of SB 2283. He stated there seems to be a lot of knowledge in the room as to the future and he feels this is beyond human ability. He stated a conservation easement is restrictive with no benefit to the grantor except there might be a tax advantage. Once the easement is granted the landowner has not recourse in the event of a dispute with the easement holder. He submitted a position statement by LAND (attached) and the pamphlet on the "Myths About Conservation Easement" (attached).

Paul Feyereisen. (45.9) President of the Missouri River Adjacent Landowners Association (MRALA) testified in opposition to SB 2283. (See attached testimony). He also submitted a handout to the committee (attached).

Dennis Miller (48.9) past president of the LAND testified in opposition of SB 2283 (See attached testimony). He read a quote from the North Dakota Parks & Recreation Department article which explains why they oppose a third party easement.

Neil Effertz (Tape 2, Side A 0.0) a Missouri landowner testified in opposition to SB 2283. He stated his opposed to the bill for several reasons. He stated this bill would sever the value from the land and places a larger burden on the future owner of the land. He also thinks adjacent

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Senate Natural Resources Committee
Bill/Resolution Number SB 2283
Hearing Date 2-7-03

landowners would be in jeopardy for their continually agricultural interests if these conservation easements are applied especially with the third party enforcement issues this bill contains.

Brain Kramer (2.5) of the North Dakota Farm Bureau testified in opposition of SB 2283. Two years ago this issue was addressed and the bureau stands the same.

Gordon Bischoff testified in opposition to SB 2283. The economic impact on himself and his area is very large. This peptual easement has been a disaster for him and his.

Wes Towset a retired farmer testified in opposition to SB 2283. He stated he is now turning his farm over to his son easement free and is confident his son will continue to keep this land productive. He stated these third party endorsements can be one of many and come in and enforce their values.

Senator Tollefson closed the hearing on SB 2283.

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2283

Senate Natural Resources Committee

☐ Conference Committee

Hearing Date 2-12-03 Discussion and Action

Tape Number	Side A	Side B	Meter#	
1		X	10.6 - 12.0	
	1	1		
Committee Clerk Sign	ature and	anu		

Minutes:

Senator Ben Tollefson, Vice Chairman of the Senate Natural Resources Committee opened the discussion on SB 2283.

All members of the committee were present except Senator John Traynor and Senator Layton Freborg.

Senator Stanley Lyson has received many messages about this bill.

Senator Lyson made a motion for a Do Not Pass of SB 2283.

Senator Michael Every second the motion.

Roll call vote was taken indicating 5 YEAS, 0 NAYS AND 2 ABSENT OR NOT VOTING.

Senator Lyson will carry SB 2283.

Senator Tollefson closed the discussion on SB 2283.

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Date: Roll Call Vote #: /

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 223

Senate Senate Natural Resources		Committee			
Check here for Conference	Committee				
egislative Council Amendment	Number	<u>-</u>			
action Taken	Do	Vi-	Pass		
Motion Made By	и	Sc	econded By		
Senators	Yes	No	Senators	Yes	No
Senator Thomas Fischer			Senator Michael A. Every	1	
Senator Ben Tollefson			Senator Joel C. Heitkamp	1	
Senator Layton Freborg		· · · ·			
Senator Stanley W. Lyson	1				
Senator John T. Traynor					
tal (Yes)		No	0		
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REPORT OF STANDING COMMITTEE (410) February 12, 2003 4:42 p.m.

Module No: SR-27-2503 Carrier: Lyson Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2283: Natural Resources Committee (Sen. Fischer, Chairman) recommends DO NOT PASS (5 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2283 was placed on the Eleventh order on the calendar.

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Page No. 1

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SR-27-2503

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2003 TESTIMONY

BB 2283

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Chairman Fischer and Members of the Senate Natural Resources Committee.

My name is Tim Mathern, I am the Senator from District 11 in Fargo. I am a sponsor of Senate Bill 2283. This bill is important legislation to long-term efforts to develop a cost effective response to devastating floods such as those that impacted the Red River Valley during much of the 1990s. This legislation offers the potential to utilize a new approach by allowing for permanent flood easements as a mitigation tool in dealing with these incredibly difficult flood problems. In addition, this legislation offers the people of the Missouri River Valley the opportunity to permanently protect some of the State's most significant agricultural, open space, cultural, wildlife and scenic areas.

SB 2283 is legislation to adopt the Uniform Conservation Easements Act and to amend and reenact existing law in subsection 2 of section 47-05-02.1. The Uniform Conservation Easements Act was developed by the National Conference of Commissioners on Uniform State Laws. Nearly half of the states have adopted the uniform act and the remaining states except North Dakota have adopted some variation of this legislation authorizing perpetual easements.

Section 1 of SB 2283 amends and reenacts existing law. The amendments permit landowners in the counties along the Red River and the Missouri River in North Dakota to protect the land with perpetual easements.

The remaining sections are essentially the Uniform Conservation Easements Act taken directly from the National Conference of Commissioners on Uniform State Laws.

Section 2, number 1 is the definitions section. This section defines the terms "conservation easement", "holder" and "third party right of enforcement". This section enables durable restrictions and affirmative obligations to be attached to real property to protect natural and historic resources. Conservation easements can be held by governmental bodies, charitable corporations, charitable associations and charitable trusts. These definitions are directly related to Section 170 of the Internal Revenue Code. Gifts of conservation easements may be eligible for tax benefits under existing IRS guidelines and regulations.

Section 3, number 1 provides that except for provisions contained in this proposed act, a conservation easement shall be treated as other easements within existing law.

Number 2 provides that there are no responsibilities for the holder or a third party charged with enforcement of the easement until the easement is signed and recorded.

Number 3 provides that conservation easements in the counties along the Red River and the Missouri River are perpetual unless otherwise provided.

Number 4 provides that if a tenant or third party has an interest in the property being placed under conservation easement that third party cannot be harmed and that this third party or

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tenant has to consent to the easement in order for it to be placed on the property.

Section 4, number 1, a through d, deals with who can bring a judicial action related to a conservation easement.

Number 2 clarifies that a court can modify or terminate a conservation easement entered into under the provisions of this act.

Section 5, numbers 1 through 7, deals with the validity of a conservation easement established in defined circumstances; a conservation easement is valid even if it is not an appurtenant interest to the property, even if the easement can be and is assigned to another holder, even though it has not been recognized as common law, even if it imposes a negative burden, even though it imposes affirmative obligations upon the owner of an interest in the property or upon the holder of the easement, even though the benefit does not touch or concern real property, and even though there are no privities of estate or of contract.

Section 6 of the bill deals with the applicability of the Act by pointing out that this legislation only applies to conservation easements established after the effective date of this Act. This section further provides that these conservation easements must not contravene the Constitution or laws of North Dakota or the United States and lastly, that conservation easements cannot and do not invalidate any existing, legally established interest in the land in question.

In conclusion, I make four final points.

- -This is important legislation to all of North Dakota. We have limited the rights of our landowners to protect their property with perpetual easements. By providing landowners along the Red River and Missouri River the right to donate or sell conservation easements we are beginning the process of correcting this.
- -This hearing may bring out people who claim to be advocates of property rights while they oppose allowing other landowners to sell or donate conservation easements. We need to ask for ideological integrity, this bill provides the framework so that landowners can voluntarily make a decision to place their land under conservation easements.
- -I saw the floods of the Red River Valley, I was also fortunate to take a trip to Europe to see what the citizens of the Netherlands have done to protect themselves from water with green ways and conservation space while also building their economic base. We can do the same here and prevent much heart ache and disaster expense at the same time.
- -Stewardship of our land is good for us now and for future generations, easements are an integral part of our stewardship of the resources available to us.

I ask for your Do Pass recommendation for SB 2283. Thank you for your attention and consideration.

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Aipril (a prol) n. Abbr. Apr. The fourth month of the year accepteding to the Gregorian calendar. April has 30 days. See calendar. [Middle English, from Latin aprilis, perhaps "month of Venus," from Etruscan apru, from Greek Aphrō, short form of

Wenus, from Etruscan apru, from Greek Aphro, short form of Aphrodite; Aphrodite; Aphrodite; Aphrodite; Aphrodite; April Tools of a trick played on April Fools Day. April 1, marked as a day for playing practical lokes. Also called "All Fools Day."

April Fools Day. April 1, marked as a day for playing practical lokes. Also called "All Fools Day."

April Fools Day. April 1, marked as a day for playing practical lokes. Also called "All Fools Day."

April Fools Day. April 1, marked as a day for playing practical lower of the process of the proc Without examination; not supported by factual study. [Latin, from the previous (causes or hypotheses) "]

end of a church. Also calle position, speis (see). [Me-sp'si-del (ap'so-del) adj. Ap-she-ron (up-sho-ron').

S.S.R., extending into the ap-sia (ăp'sis) n., pl. -sidee (see). 2. Astronomy. The pecelestial body from a cente [Medieval Latin apsis, abs arch, vault, orbit, from Ggether," from haptein, to fi apt (apt) adj. 1. Exactly su Usage note below. 3. Incli 4. Quick to learn or unden event. (Middle English, fre past participle of apere, to Usego: Apt and likely, wo often interchangeable. Likel probability is involved: It is soon. When probability base is implied, apt is the choice excited. In similar constructi the possibility or probability ject: An angry man is liable to ment of liable in expressing to are liable (preferably likely) apt. apartment. Whi ap-ter-al (ap'ter-al) adj. Arch the sides. (From Greek ap-ap-ter-ous (ap'ter-as) adj. apterous insect. 2. Bolany. 1. sions. [Greek apteros, wing ap-ter-yx (ap'to-riks) n. A bit (without) + Greek pterux; with ap-ti-tude (ap'to-tood', -tyou ap-ti-tude (ap'to-tood', -tyou talent or ability; inclination understanding; intelligence. iting : appropriateness. : --So English, from Late Latin apt ability of an individual to de Ap-u-lei-us (ap'yo-le'es), Luci rist of the second century A.I A-pu-lia (o-pycol'ya). Italian'i pying over 7,000 aquare miles Roman province. Population, A-pu-re (a-poo'ra). A river o slopes of the Ander and flowi: A.pu.ri.mac (ä/pob-re/mak). Peru and flowing about 500 bamba and form the Ucayali. A-pus (a'pos) min'A constellat near Musca and Payor [Ne swallow, from Greek apour. because the swift is seldom see foot (see ped. in Appendix*) A-qa-ba (ä'kä-bä'). A seaport

Arabia. Population, 9,000. aq-ua (ak'wo, a'kwo) n., pl. 1. Water, 2. Pharmacy: Liqui 3. Light bluish green to light a water. See akwa- in Appendix aq-ua-cade (ăk'wo-kād', ā'kwo of swimmers and divers; often companiment of music. [AQU aqua for tis (äk'wo for tis, ä' istry. Nitric sold (see). [New Aqua-Lung (äk'wo-lung', ä'kw (see), an underwater breathing

the Gulf of Aqaba, an arm of

miles between the Sinai Pen

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place where persons convicted or acined; a penitentiary or jail. 2. Any inement of forcible restraint. 3. Imaned, oning, one. To imprison. , prisun, from Old French prison, from Latin preinisio, contraction chendere, to scize. See ghend- in

nor) n. 1. A person held in custody, forcible restraint, especially while on stence. 2. One deprived of freedom

prisoner of fate. W. P.O.W. A person taken by or es during wartime.

in which two teams try to capture them and bringing them to a base, phus (see). [So called because it

icky, fussy, and prudish: clergy." (J.D. Salinger). si-ty adv. —pris'si-ness n. adj. 1. Of, pertaining to, or typical tion; primitive or original. 2. Recorrupted. [Latin pristinus, orig-

erf. Archaic. Please; I pray thee. ly thee.].

cles. 1. The condition of being e view of, or from contact with,

v., pvt. 1. Secluded from the sight, 518: a private bathroom. 2. Of or tal: private opinions. 3. Not availor participation: a private club. ierson or persons, as opposed to private property. 5. Not holding Othello himself is no mere private the Republic." (A.C. Bradley). "we were looking at the essence is Lessing). —n. 1. a. Abbr. Pvt. w private first class in the Army ng a similar rank in other armies 10 genitals. --- in private. Secretiglish privat, from Latin privatus, in public life, deprived of office. ivare, to deprive, release, from ved of. See per! in Appendix.*] 22 M

y er ed detective as distinolice force. Also called

lies unregulated by state owned business in general. 2. A prise, especially one operating se or laissez-faire capitalism. A ship privately owned and sovernment during wartime to s. 2. The commander or one of

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prerogative: privus, single, individual (see per in Appendix).

lex (stem leg-), law (see leg- in Appendix).

priv-i-leged (priv's-lijd) adj. Enjoying a privilege of have privileges: "None is privileged and no one shall escape at the privileges." (None is privileged and no one shall escape at the privileges." nary action." (Kwame Nkrumah). privileged communication. Law. 1. A confidential communication. cation that one cannot be made to divulge. 2. A commit tion that is not subject to charges of slander or libely privilly (privo-le) adv. In a privy manner; privately privilly (privo-le) n., pl. -ties. 1. Knowledge of content private or secret shared between individuals, especially with the implication of approval or consent. 2. Law. 1. A least that is held to be sufficiently close and between parties that is held to be sufficiently close and support a legal claim on behalf of or against another with whom this relation exists. b. A successive or minutes terest in or relationship to the same property, [Middle Fig. private, privite, a secret, privacy, from Old French, from M. eval Latin privitas, from Latin privus, single, private See Bart Appendix. I prive adf. 1. Made a participant in knowledge of thing private or secret. Used with to: "If a man think is the must be privy to his own thoughts and desired." I see the British society. 2. Belonging or proper to a person (as the British sowing his private rather than his official capacity. Now rate and his private rather than his official capacity. Now rate are the designation of certain traditional appurtenance of the ish monarchy, such as the Privy Council (See). 3, Archaic is cealed; secret. —n., pl. privies. 1. a. Archaic. A latrice outhouse. 2. Law. One of the parties having an interest same matter. [Middle English prive, secret, private legisle ed with, from Old French prive, from Latin private legisle privy Council. Abbr. P.C. 1. A council of the British secret until the 17th century was the supreme legislative. that until the 17th century was the supreme legislative that now consists of cabinet ministers ex officio and one pointed as a high honor, membership being for life has no important function except through its hidicial control of the suprementation of the supremen mittee, which in certain cases acts as a supreme appelled in the Commonwealth. 2. A council of the Canadian council that promulgates regulations under the authority of Act Parliament, consisting of cabinet ministers and the speak the house, appointment being for life. —Privy Council of the prix fixe (prë' fëks') pl. prix fixes. 1. A table d'hôte price at which a table d'hôte meal is offered Comming. carte. [French, "fixed price."] prize (priz) n. 1. Something offered or won as an available achieving superiority or excellence in competition will of the second superiority or excellence in competition will of the second superiority of thing worth striving for or aspiring to. —See Synonya. thing worth striving for or aspiring to. —See Synonyal bonus. —adj. 1. Offered or given as a prize; a

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SB 2283 Senate Natural Resource Committee February 7, 2003

Good morning Chairman Fischer and Members of the Senate Natural Resources Committee.

My name is Rosemarie Myrdal. I know many of you personally both from my days as a Legislator and as Lieutenant Governor. It is a pleasure to see you and have this opportunity to address you this morning.

North Dakota has had its share of controversies regarding easements and land acquisition for public purposes and I, like some of you, have given this issue much consideration with regard to our future. North Dakota is changing. There is no better time than the present to revisit previous thinking. This bill presents that opportunity.

We have many land use challenges before us. The Red River corridor has had flooding challenges in recent years that are unprecedented. Land use has changed as a result and private property owners have been severely impacted. Elected officials have been confronted with land use planning needs beyond anything they have ever experienced or even imagined. Our urban areas are growing, and the relationship between city sprawl and agricultural needs is an issue of growing concern. Our economy is changing. While traditional agricultural enterprises remain a critical part of our economy and life style, other opportunities are making themselves available. Many of these opportunities involve the promotion and well thought out use of one of our states most unique and precious attribute - our natural resources.

North Dakota has a landscape, a heritage, a culture and a story to tell like no other. We are rich in open space, wildlife, diversity, scenic vistas and pioneer history. We have indomitable spirit and pride in what our ancestors accomplished and what we were entrusted to carry forward into the future. And, we have a long established principle of standing strong for private property

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rights and encouraging independence, entrepreneurship and self reliance. This bill is about those things, and more.

My own north east region of the state, and area we proudly call the "RENDEZVOUS REGION", is working hard to diversify its economy. In that effort we actively promote our natural resources, our woodlands, our beautiful Pembina River valley with its gorges, striking vistas, its historic and cultural heritage and its bountiful and diverse wildlife populations. Land protection of the type provided for in SB 2283 complements our efforts, and I believe it would also do so in the Missouri River corridor.

To keep things in perspective however, let me first tell you what this bill is not about. You will hear from individuals and groups opposed to this Legislation that its passage will allow nonprofit groups, or, worse yet, the federal government, to take over and control our state. Attempts will be made to convince you that this bill will facilitate the federal government, conspiring with unseen but sinister forces, to render North Dakota an economic desert under inappropriate control of environmental extremists. You will be told that by allowing permanent easements the private property rights of our citizens will be taken away. This bill does not facilitate any of those things. I have more faith in our form of government and our citizens who control it - I hope you do as well.

This bill provides a wide array of benefits to private landowners and the public:

- First and foremost, this bill recognizes the private property rights granted to citizens in every other state to voluntarily convey permanent easements.
- It provides tools to elected and appointed officials to appropriately compensate private landowners for river corridor lands frequently flooded and damaged but useful for their great public values as open space, parks, outdoor classrooms, buffer areas and green space.
- It provides an option for private property owners to be fairly compensated for dedicating all or portions of their land to public values
- It provides a mechanism for private landowners to use easements to take advantage of tax and

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estate planning tools accommodated in IRS regulations.

- It provides a mechanism, perhaps the ideal mechanism, to assure VOLUNTARY long term land protection while leaving the land in PRIVATE OWNERSHIP and under private management.
- It provides a mechanism for private landowners interested in placing long term protection on their property to work with groups other than the federal government, such as agricultural land trusts, political subdivisions, non profit conservation groups, etc.

In closing, let me clarify 4 other points critical to this legislation:

- 1. The federal government already has the right to purchase and hold permanent land protection easements in North Dakota. They have purchased over 150,000 acres of permanent grassland easements over the last 4 years and currently have a list of well over 159 landowners waiting to have their lands evaluated for a permanent easement offer. This bill will not in any way alter the ability of the US Fish and Wildlife Service to conduct their easement programs in the state. You will likely hear much about the federal government in general and the US Fish and Wildlife Service in particular, before the morning is over, but please don't be confused: THIS BILL IS NOT ABOUT THE US FISH AND WILDLIFE SERVICE.
- 2. Permanent land protection easements provide an effective ALTERNATIVE TO ZONING or other types of land use regulations that may not appropriately compensate private landowners.
- 3. All land protection easements are **VOLUNTARY**. They provide **OPTIONS** for landowners.
- 4. Permanent land protection easements COMPENSATE private landowners either through direct payment, tax deductions or some combination of the two.
- 5. Facilitation of GOOD LAND STEWARDSHIP is always a good thing for North Dakota, no matter where it occurs in our great state.

It is time this issue of voluntary, compensatory private land protection receive due consideration for what it is: an option for private landowners and a tool that can help shape the North Dakota of the future in a manner that is fair, equitable and fiscally responsible. It is time to restore full

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private property rights to our farmers and ranchers. It is time to support SB 2283. I respectfully request that you join me in doing so.

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TESTIMONY SENATE BILL 2283

February 7, 2003

- 1. SB 2283 would allow the sale of easements for specified land values for certain areas in North Dakota, including the counties adjacent to the Missouri River.
- 2. SB 2283 would allow a willing landowner along the Missouri River to sell a perpetual easement to a willing buyer which would allow the owner to retain all his present rights to the land with the exception of his right to develop the river frontage.
- 3. The easement would be a specific document negotiated by the seller/buyer and would describe the specific area, the duty of the owner to maintain or establish tree and shrubbery growth and would name an enforcer such as the county government.
- 4. Since no "buyer" would purchase this type of easement unless it would be permanent, the passage of SB 2283 is necessary.
- 5. This no-development easement is utilized in many areas of our nation to control urban growth into desirable farm land or scenic mountain valleys. It is a win-win situation for the environmentalists and owners who wish to preserve present values.
- 6. We urge the passage of this bill to enable the preservation of wooded areas along our Missouri River.

ANDY MORK, CHAIRMAN MORTON COUNTY WATER RESOURCE DISTRICT 3362 22ND Avenue Mandan, ND 58554

Phone: 663-3840

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Going, Going, Gone

Urban sprawl threatens more prime land

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ven as more states lock precious farmland into preserves, the United States' bank of high-quality food-producing land continues to erode.

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"America developed twice as much farmland in the 1990s as it did in the 1980s," reports Ralph Grossi, president of American Farmland Trust. AFT says 86% of America's fruits and vegetables and 63% of its dairy products flow from farmland threatened by sprawling development. Between 1992 and 1997, the nation paved over farmland about equal to the size of Maryland-6 million acres. Texas tops states losing the most high-quality land. Ohio, North Carolina, Georgia and Illinois follow.

It's no coincidence that some of the best land suffers the most risk. "Many of our cities, by nature of original settlement, are on that highest quality land," Grossi says.

Squandered? AFT blames gluttonous land use and poor planning for farmland's demise. While the U.S. population grew 17% from 1982 to 1997, urbanized land grew 47%. In 20 years, acreage size for new housing doubled. Since 1994, 10-acre-plus lots have accounted for 55% of land developed.

Some Mid-Atlantic communities lost more land in the 1990s than they did in the previous 300 years of settlement. Local preservation efforts are working overtime to stem the tide. Pennsylvania topped Maryland to become the state with the greatest number of preserved acres and farms in 2002-more than 244,352 acres. But the state Bureau of Farmland Preservation has a backlog of 1,700 applicants, according to director Mary Bender.

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Ohio farmer Michael Clark specializes in renting land destined for development near Dayton. He farms with 83 landlords on more than 300 parcels.

Many counties have floated bonds to pay for preservation programs. "Every time it goes to the public, there's overwhelming support," reports Bender. "We have been very successful, especially in putting together large contiguous blocks of farmland."

Lancaster County, Pa., touted as the most productive nonirrigated farming county east of the Mississippi River, has preserved more land than any other county in the nation. When you factor in both public efforts and the private Lancaster Farmland Trust, the county has preserved 50,747 acres, about 13% of its total agricultural land and forest base.

"Ag preservation is a critical part of proper balanced growth in a place like Lancaster County," asserts Darvin Boyd, former president of Lancaster Farmland Trust and a current member of the state Ag Land Preservation Board. He notes that Lancaster County's plan includes "urban growth boundaries" to attach future development to existing boroughs and municipalities and curb sprawl. The goal is to prevent farms from being surrounded by houses.

Two dozen states have authorized farmland preservation programs. Grossi expects that all will someday purchase development rights to protect farmland.

"It's appropriate for the public to help private landowners because the benefits will flow to the public," he says. Purchase of development rights, a partnership between state and local governments, is a significant step. This pays farmers the difference between development value and farmland value, in exchange for an easement preventing development.

"It brings an element of fairness to the land use conflict," Grossi adds. Sale of development rights recognizes owners' property rights and gives the public a way to compensate. That's a big improvement over regulatory approaches, he says.

Top Producer . January 2003 . Bouns !

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Fifty-Eighth Legislative Assembly of North Dakota SENATE BILL No. 2283

Testimony

Chairman Fischer, and members of the Committee, thank you for providing the Red River Basin Commission this opportunity to testify on behalf of Senate Bill 2283. The Commission supports this language and feels the bill addresses a number of important issues for residents of the Red River Basin.

The Commission began development of a Conservation Reserve Enhancement Program (CREP) for the Red River Basin in December of 2001. CREP is a voluntary set-aside program that leverages federal dollars with state funding to place easements on land that is deemed to be a resource concern. Following a directive from the membership, Commission staff convened a multi-jurisdictional interagency meeting to discuss CREP, develop basin-wide goals and objectives, and begin preparation of the proposal. A first draft of the proposal was presented to basin residents in a series of meetings held throughout the Red River Basin. In August of 2002, The Commission worked with staff from the Red River Riparian Council to convene meetings with local landowners in Pembina, Valley City, and Wahpeton. Similar meetings were held in the MN side of the Basin. The draft CREP proposal was presented and attendees were invited to provide feedback and comments. Based on that input, the Red River CREP proposal is targeting wetland restorations and riparian buffers and filters as a means to address flood damage reduction concerns of basin residents and resource professionals.

Although the proposal will continue to evolve as we try to address the array of issues surrounding a program of this magnitude, the proposal will provides three easement options for landowners, one of which is a perpetual or long-term (99-year) option. As the Commission received feedback on its CREP proposal, local landowners and resource officials were seeking a set-aside program that would provide an opportunity to set-aside chronically flooded cropland in a long-term or perpetual easement.

As you all know the Red River Basin has experienced devastating flooding events over the past few years. Some of these events, like the flood of 1997, were widespread and caused billions of dollars in damage in the Red River Basin. Smaller events, but no less devastating to individual producers, have occurred and will continue to occur in the Red River Basin. One of the goals of the Red River Basin CREP is to mitigate flood damages. By providing landowners with easement options that meet their needs as well as the resources needs, we will provide long-term protection to the basin's most sensitive resources from persistent flood damage.

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Senate Natural Resources Committee SB 2283 relating to conservation easements

Testimony of David Borlaug, President, North Dakota Lewis & Clark Bicentennial Foundation, Washburn

Mr. Chairman and members of the committee, my name is David Borlaug, and I am President of the North Dakota Lewis & Clark Bicentennial Foundation, a non-profit organization which operates the North Dakota Lewis & Clark Interpretive Center and Fort Mandan at Washburn.

I have been active with Lewis & Clark-related activities for 12 years now, mostly as a volunteer, and now as a full time staff person with our Foundation. I served three years as president of the National Council of the Lewis & Clark Bicentennial as part of my volunteer activities.

Throughout these past 12 years, I have learned to appreciate more and more the scenic beauty our state offers, especially in its rich river valleys. I have also come to appreciate the richness of our multi-cultural past in those river valleys. Right here, where we are today, is where cultures thrived a thousand years ago. These were our first farmers, growing corn, sunflower and beans long before any white settlers arrived.

This is a Land of Legends, including Lewis & Clark. It is a special place, sought out by people from across America and around the world. Last year, we hosted over 35,000 visitors to the Interpretive Center, and visitation at Fort Mandan was up 80 percent—and that's a year before the Bicentennial, which started January 18!

Our Foundation is very concerned about maintaining as pristine an environment as we can, especially around the historic sites that dot the Missouri River Valley, like a string of pearls. We are not anti-development, not by any means—but we share with many landowners a desire to maintain a sense of balance.

My friend Tracy Potter, who leads the Fort Abraham Lincoln Foundation, planned to be here today as well, but another conflict developed. If he were here, he would tell you that this is not an issue of "preservation versus development," because preservation IS development! The maturing tourist audience has come to appreciate the value of the natural setting that we offer—indeed they come to demand it in their visitor experience—and they will seek it out wherever it exists. And it certainly exists, here in the Missouri River Valley, both at Fort Abraham Lincoln State Park and at Fort Mandan, and Tracy and I share real concerns about the future of our viewsheds.

Mr. Chairman and committee members, this legislation is all about landowner rights. Our Foundation has been approached by landowners who want to ensure that their agricultural property stays that way, and is not commercially developed. They wonder what our Foundation can do for them. With our financial limitations, we cannot afford to offer cash for easements. However, in virtually every other state, Foundations like ours benefit

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because landowners may donate their easements, with a substantial tax savings allowed by the IRS.

But, the IRS only allows such deductions for perpetual easements.

This bill has been designed by and for landowners. It makes it financially possible for today's stewards of the land to ensure that the generations that follow them will share in their love and appreciation for what has been entrusted to them.

I urge you to give this bill a solid do-pass, and lobby for its support in the entire Legislature. Thank you.

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Landowners are becoming more concerned about conservation easements. Ranchers, farmers, and forestowners are beginning to realize that conservation easements are not simply the innocentsounding solution to the property owner's financial woes, but, rather, that these transactions fundamentally diminish the equity belonging to the property owner and pose a threat to the future of private property on a large scale.

Associated with these two fundamental reasons for avoiding conservation easements are numerous technical problems. These technical problems are likely to funire as holders of land from which an easement has been separated try to use the land in ways that were overlooked when the easement was negotiated or when uses of conservation easements. of the land inadvertently interfere with environmental resource values that become a greater concern as time

passes. One of the technical fea-U iform Conservation Essement Act, which has been passed in over half the states of the Union, is the use of third party enforcement of the terms of the easement. An early white paper of PRFA (Property Rights Foundation of America) that passed around the country for discussion was published emphasizing that, although it flies in the face of classical contract law, third party enforcement can take place when a state legislature passes the Uniform Conservacion Act. This is perfectly

However, a further point might imagine that it kicks land trust before it goes to on a misreading of the Uniform Act. Others are standing by this reading of this be imagined. None are prebut PRFA does not mainmisinterpretation, that the name of the third party enforcementagency would not have to appear on the conservation easement, was not repeated in the final published versions in mid-2002 of PRFA's publication "Renegotiating the Conservation Easement."

I agree with the Montana Land Reliance's argument in their letter to the editor (Agri-News, January 17) come to the forefront in the that this point in the article printed earlier in January needs correction, but I firmly disagree with the remainder of their attack on PRFA's work to expose the dangers

First, with respect to third party enforcement. The Montana Land Reliance letterstates, "... there is nothird party right of enforcement of conservation easements." tures provided for by the This is incorrect. Without the state passage of the Uniform Act, there is no such third party enforcement, but with passage of the Act, third party enforcement is indeed facilitated. This is one of the main goals of the Uniform Act. When a provision for provided for in some way in the conservation easement. in Agri-News on January 3 it constitutes a major threat to the property owner. The landowner might not notice a provision buried among many legal details of a documeni of a type that is commonly 20 to 50 pages long.

third party has the power to bring a proceeding to enforce the conservation easement, even if the holder of the conservation easement is satisfied with the situa-The Montana Land Reli-

the Montana Land Reliance is not a quasi-government funded by the government nor participate in land transment." However, I made no statement about the Monadisclaimersomewhatsimilar to the above statement by the Montana Land Reliance be incorporated in the conservation easement. For what it's worth, the conservation easement could at non-transferable to a government agency. A reverter clause might be considered. but this idea is as yet unproven. The question arises as to how legally binding a few generations from now third party enforcement is is a land trust's promise today not to accept government funds.

Another question arises. If the conservation easement is conveyed to government, would the land trust write into the easement that it becomes the third party enforcement entity? Further-Or he might not realize its more alocal land trust could significance, or perhaps he convey the land to a larger

in the white paper was based in only if the conservation the government. This is not easement holder becomes speculative. Sometimes a defunct. Many scenarios can conservation easement goes through two or three land technical legal document, dictable except that, whether trusts before ending up in or not the landowner has governmenthands. Anyone tain this interpretation. This noticed and understood the of these could become the provision, the designated third party enforcement entity, unfamiliar to the originai landowner. In addition, this trail of ownership indeed conveys the conservation easement to government without betraving the original land must's pledge not to accept government funds.

ance letter states that, "Contrary to LaGrasse's claim, One of the main reasons for incorporating provisions for renegotiation of the conagency. We are neither servation easement is to forestall third party enforcement. The Montana Land actions with the govern- Reliance letter completely evades the idea of providing for renegotiation, which tana Land Reliance. In a might provide a defense if broad sense, I advocate that third party enforcement, provided for in the Uniform Act, becomes a practice.

Instead the Montana Land Reliance letter emphasizes that "conservation easements are perpetual because federal law requires perpeleast state in writing that it is tuity to receive federal estate tax benefits."

As everyone knows, this is all too true. However, their letter fails to mention that Obnoxious perpetuity requirements, etc....

Continued from page 3

federal estate tax (inheritance tax) reform is actively Congress. The letter also fails to mention that, although the land trust movement is very successful in acquiring for itself millions of dollars of federal government grants annually, it is conspicuously absent with any support for eliminating the estate tax. And, I understand that the land trust movement is absent in working to repeal the requirement for a perpetuity clause to qualify for favorable federal tax consideration.

Property rights advocates have been working for several years for these tax reforms. Where are the land trusts? Is it possible that their absence in advocating You federal tex reforms that would relieve some of the pressure on the landowner can be explained by the fact that the land trusts derive part of their existence and their often lucrative fees from the pressure that the

account of these federal taxes?

But returning to the topic under discussion in the US of the renegotiation provision, our proposal is to incorporate provisions in the conservation easement that an expert tax atterney hired by the landowner would fashion to allow changes to the easement in the forme without endangering the ability of the easement to be acceptable to tax authorities, even under the obnoxiousperpetuity requirement. The purpose of the renegotiation provisions is to provide increased flexibility for the landowner. Two of the greatest faults of connervation easements are that they are relatively inflexible and that the flexible provisions lean in favor of the ability of the holder of the conservation easement to protect natural resources.

One conservation easement used by the Vermont three-part suggestion. If the Land Trust has a primary purpose to "sustain these natural resource values as good faith; let it use the these values exist on the date landowner experiences on of this instrument and as they of it and its allied environ-

may evolve in the future..." This dangerous type of open-ended provision should be renegotiable in the future, as should provisions restricting the use of water resources for which the rancher may find a chang-ing sold materials as coning need, metalcticus on con-struction that evey conflict tices, and me bilities, which only the rancher would be likely to imagine. It would be in the interest of the rancher to think as creatively as possible to try to overcome the pitfalls of the conservation casement's inflexibility with respect to ranching and practical land uses and to build a more flexible transaction, keeping in mind that equity is vulnerable to inflexibil-

Rather than further dissect the letter by the Montana Land Reliance, here is a multi-billion dollar national land trust movement has massive lobbying resources mental organizations toward elimination of the third party enforcement provision, repeal of the estate tax, and revision of the IRS code to climinate the requir perpetuity to permit tax advantages for landowners who allow connervation

> Carol W. LaGrasse President, PRFA www.prfamerica.org



An evaluation of the impact of perpetual easements versus property owners' rights.

By the Landowners Association of North Dakota (LAND)

Suddenly 'conservation' organizations, that have previously treated with disdain the rights of property owners, are claiming that they are compelled to protect the property owners' right to sell perpetual easements. It comes as no surprise that these same 'conservation' groups are wanting to purchase the easements. Let's consider some simple facts in laymen's terms:

There are at least two types of perpetual easements:

- Developmental easements these allow power lines, telephone lines, wind generators, water lines, diversified land use, mining, oil drilling, livestock and/or wildlife habitat, and any number of activities that may benefit the landowner in various ways.
- Restricted Use easements This type of easement limits the activities of the landowners and gives the control of all activities to the easement holder forever. As the consideration for the permanent transfer of control is a one-time payment, the effect the limitations have on the landowner is of little concern to the easement holder.

A sale of property implies at least two things: transfer of ownership and assumption of responsibility. The transfer of ownership implies the transfer of certain rights to the control, use, development, modification, improvement, etc. of the acquired property. The assumption of responsibility is the condition of the sale that requires the owner to carry out the obligations implied by the position of ownership such as payment of taxes, upkeep, stewardship, respect for the rights of adjacent landowners' rights, etc.

The sale of a perpetual easement, in reality, transfers only the ownership of the property and the implied rights of ownership. Thus, a perpetual easement is 'ownership without responsibility.' The separation of these two characteristics is a violation of principle. This translates into 'control without obligation.' This does not comply with the terms of a Democratic Republic.

The idea that the ability to sell a perpetual easement is the right of a property owner is not a long held belief. It is a notion that has more recently been promoted and misconstrued by those wishing to acquire such easements. To maintain the position that a landowner has the right to sell a perpetual easement is to endorse the idea that everyone should be allowed to exercise any and all of their rights without regard to how such actions may violate and/or infringe upon the rights of others.

This certainly was not the concept held by the Framers of our Constitution concerning property rights or any other rights. One basic premise of law is that individuals are to be held accountable for how their actions affect others. When exercising a right infringes upon or violates the rights of another individual, the law places limitations on those rights for all individuals. In many, if not most, cases the law invokes a penalty when those limitations are exceeded or ignored.

The sale of perpetual easements is a violation of the rights of every future owner of a parcel of land the easement is sold on and in many cases, an infringement on the rights of adjacent landowners. Usually it becomes an infringement even on the landowner who sold or granted it.

The Landowners Association of North Dakota (LAND) is the only grassroots organization in North Dakota dedicated solely to the purpose of defending, preserving and restoring the rights of private property eveners. It was founded in 1989 by a group of landowners concerned about the deterioration of private property owners 'rights. LAND has been identified by the opposition as the one group willing to take the initiative in promoting the wise use of property. LAND is dedicated: To the preservation of the revenue generating activities of our farmers and ranchers along with their most valuable, renewable resource - Land. To the preservation of our wildlife, environmental and soil resources through voluntary and compensatory programs. To the preservation of private property rights.

LAND, P O Box 38, Bismarck ND 58502-0038 Phone/Fax: 701-667-4185

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when new telephone or electrical lines are

If I sell a conservation excement. I can still use my property just as I always have.

FALSE. No, you give up control of all property covered in the easement. Forever, there will be an organization or agency with the power to look. over your shoulder and approve or disapprove your management practices.

Most easements require you to give access at all times, even during the growing season when access can damage crops. You may have to obtain approval for weed control, grazing or order management practices. Many easements allow "approved" practices, but may not list specific practices. That's a loophole in the contract that allows the easement holder to change the list of approved practices without YOUR CORSCIE

Imagine selling a grassland easement. believing that is all your property would ever produce. It sounds good, right? Then you get an offer to have wind generators installed. You look at the easement and realize that, in order to dig into the ground to pour a foundation, you have to negotiate an addendum to the easement. This entire choice to after the agreement is up to the organization or agency owning the easement. This is a situation already facing some North Dakotaos.

may and yoursen or your news with an efficiery different partner than the one to whom you sold

I need money right now and a conservation easement will put cash in my pocket.

THINK AGAIN. If your land is mortgaged, chances are the conservation easement payment will go directly to the lender and may be used for the interest payment instead of reducing the principle. Read the fine print. Regardless, you are responsible for paying income taxes on the full amount of the easement. Selling an easement may actually harm your cash flow because of the tax complications.

My easement allows "normal management practices," so anything I normally would do with my property will always be allowed.

FALSE. While the easement might allow for "normal management practices," the definition of that term may change over time and in ways you can not imagine now. Selling an easement to be managed in conjunction with an organization or agency does not guarantee a particular management practice for years to come. Many easement contracts allow the purchasing organization or agency to sell or transfer title to the easement, so it may be an entirely different entity who interprets "normal management practices," for your heirs or future owners of this property. For example, during the next dry spell or short grass summer the new "management specialists" may decide to limit how many cows you can have in your pastures and for how long. You could be under the same rules as the ranchers who run cattle on our National Grasslands except that you are still required to pay all the property taxes!

by state law, so organizations may purchase perpetual easements if the title is given to Federal agencies. While this violates the spirit of the law, it is technically legal in the mind of some officials.

Before you consider selling off your 'managemen' rights' you might want to talk to some of the 2nd and 3rd generation North Dakotans who have some of this state's 790,000 + acres of perpetual wetland easements that the previous owners have sold off. They are no! "happy campers."

Provided by Landowners Association of North Dakota (LAND) PO Box 38 Bismarck, ND 58502-0038 Phone/Fax: 701-667-4185 Email: Landowner@starband.net Website: www.ndland.org

DEDICATED

To the preservation of the revenue generaling activities of our farmers and ranchers along with their most valuable, renewable resource - Land. To the preservation of our wildlife, environmental, and soil resources through voluntary and compensatory programs. To the preservation of private property owners' rights.

CONSERVATION

EASEMENTS

What every landowner should consider before signing any type of conservation easement.

We strongly urge you to seek professional advice from accountants and attorneys experienced with easements before you make a decision

Shorter term (30 years or less) easements are better than perpetual easements.

TRUE. Easements of a shorter duration allow future generations more options and flexibility in managing their property. But short term easements still give up control of your property. so it pays to talk to professionals before you make any decisions.

Conservation exsements are the only way to protect native sod

FALSE. Most of the land suitable for cultivation in our state has already been broken. There is no incentive for breaking more land unless tillage is the only effective means of weed control.

Some of the land identified as "native sod" for the purpose of conservation easements was farmed within recent memory. If the characteristics of native sod cannot be distinguished between that which was never plowed and farmland which was planted back to grass, then landowners must be doing a pretty good job managing their prairie. If we need more prairie, we can always convert more farmland to grass. It just takes ingenuity North Dakota landowners already possess.

Conservation easements will save me money in taxes.

THINK AGAIN. If you own land valued at \$100/acre and sell a conservation easement for \$30/acre, you pay income tax on the \$30. Since this was a sale of a tangible piece of your property your basis for tax pur-poses in the property is reduced to \$70. When you sell the land if it appreciates the difference in sale price over the \$70 becomes taxable. Hence you pay tax on the \$30 during the second sale.

We're developing too much land now. If we keep up at this rate, we're going to be all developed and not have agricultural land.

FALSE. According to the National Conservation and Resource Service's (NRCS) 1997 National Resources Inventory, the rate of development of agricultural land in North Dakota for 1992-97 was approximately half of the rate from 1987-92. Development has slowed and North Dakota is losing population. We are not in danger of running out of agricultural land.

A conservation easement requires you to allow

TRUE or FALSE, depending on how your lease reads. Many conservation easements currently sold in North Dakota are governed by the National Wildlife Refuge System Administration Act, so you need to read the fine print to see all of the requirements. Many of the funds and support for purchasing conservation easements come from hunters who believe they will have automatic access to your property, but that isn't always required.

I've read the contract and understand it, so I should just sign.

THINK AGAIN. Words have certain meanings and sometimes, those meanings change. For example, some of the easements sold in ND today state that "the rights and interests granted to the United States, herein shall become part of the National Wildlife Refuge System and shall be administered by the USFWS, pursuant to the National Wildlife Refuge System Administration Act. 16 USC 668dd." Have you read that piece of legislation? Do you understand it? Does it allow the agency flexibility with rules and definitions? Have you ever known an agency to change rules? THINK! Then consult an attorney and accountant experienced with easements.

Selling property with a conservation easement will be easy.

FALSE. You are required to inform the buyer a conservation easement exists. This may lessen the value of the property, the number of people willing to share title with an organization or government agency, and the number of banks willing to lend money for a loan to purchase property with a split title.

Some easements require the bank to take a secondary interest in deference to the easement. This can dramatically decrease the willingness of a financial institution to loan money on the property.

Because the holder of the easement already owns part of the title, they may have an interest in purchasing the remainder of the property. If this is a non-profit organization or Federal agency, that may take the property off tax rolls. المراجعة المراجعة

My neighbor sold a conservation easement last year and he hasa't; had any trouble, so my beirs and I won't.

FALSE. Perpetual easements generally don't cause problems right away. But wait 20 or more years and see what problems crop up.

Thousands of acres of wetland easements were sold in ND during the 1960's and 70's, but most landowners didn't experience problems until the next generation took over the property. Now basic terms seem to have been redefined and boundaries covered by the easement changed. The original maps were "lost" or are "not available." Many of these landowners would love the opportunity to buy back the easement and regain control of their

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A conservation engement will preserve any property just as it is, forever.

FALSE. Land changes. Each season brings change to the land. Some changes are major and others minor but, over time, even with no intrusion or help from man, land will change.

The purchasing agent seems like a nice person so I don't need anyone else to review the easement contract before I sign.

FALSE. The purchasing agent wants something that you have - your property. It is in that person's best interest to be pleasant and agreeable. The purchasing agent works for someone eise - not you.

in any type of land transaction, you need professionals (an accountant and attorney) with experience in cosements, tax, estate planning and property transactions to represent you and your best interests. If you are dealing with a perpenual easement, you want to double and triple check the contract. Most land sales deal only with the property until it is sold, but a perpetual easement is forever.

Keep in mind that, however pleasant the purchasing agent is, that will likely not be the person with whom you will deal on easement management issues and will certainly not be the person to manage the easement during its lifetime. Many easement contracts allow the easement to be sold, so your heirs or future owners of the property may end up dealing with an entirely different organization or agency holding the easement. That's why you need professional assistance to look at all of the options before you sign a contract.

SENATE NATURAL RESOURCES COMMITTEE FEBRUARY 7, 2003 MRALA

PAUL R. FEYEREISEN SB 2283

Mr. Chairman and members of the committee: I'm Paul Feyereisen, President of the Missouri River Adjacent Landowners Association (MRALA) and a landowner in Burleigh and McLean counties.

The exception in Subsection 2 of Section 1, specifically exempts the counties contiguous to the Missouri River and it's lakes from 99 years to perpetual. The landowners nearly without exception, oppose perpetual easements.

Forever, is unimaginable in time, in fact, so is 99 years. If any entity cannot purchase a 99 year lease because it is not long enough, that is simply ridiculous. In most all instances, easements on land usually devalue the property for our sons and daughters and our grandchildren.

Perpetual easements usually shift the burden or problem to adjacent property owners. In other words, neighbors beware! Whatever is a fantastic price for an easement today, most likely will be many times greater 20 or 30 years later.

In summary, nearly all our 135 members oppose this legislation. We encourage the committee to consider voting a do not pass.

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Overstor's Rigneture

Testimony in opposition to SB2283 Dennis Miller 9467 63 St NE Lawton, ND 58345

Chm Fischer and members of the Senate Natural Resources Committee

My name is Dennis Miller. I am representing myself and LAND.

LAND opposes perpetual conservation easements. Perpetual is longer than any of us will see in our human lifetime. We cannot hope to envision what social, economic or scientific norms will rule in future generations. We do not know if the language that describes the terms of the easement will be a blessing or a curse to future owners of the property.

LAND feels that if these easements are warranted and necessary, future generations will see the merits of signing an extension to the easement.

In past legislative sessions, LAND has been criticized for not supporting the "rights" of property owners to sell perpetual easements on their property. Current ND law limits the duration of easements and LAND supports these limits. Our policy, as defined by resolution, supports limiting easement length to 10 years as in the case of CRP. If the buyer and seller agree that the easement is beneficial, they can renew the easement for another 10 years.

Thank you

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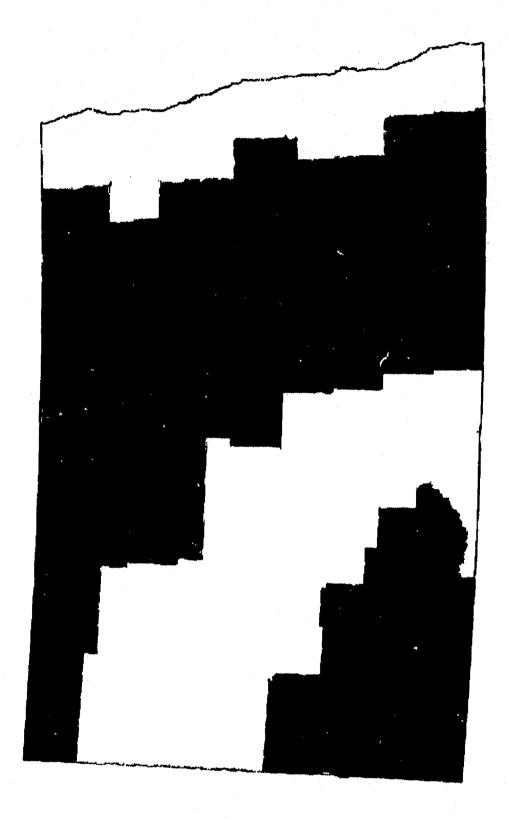
Operator's Signature

10/21/03

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North Dakota Under SB 2283 White areas may have easements, no development



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Diameter Oval