

FISCAL NOTE
Requested by Legislative Council
04/20/2015

Amendment to: HB 1409

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed HB 1409 with Conference Committee Amendments provides statutory changes related to the outdoor heritage fund.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 4 of engrossed HB 1409 with Conference Committee Amendments increases the funding for the outdoor heritage fund from 4% to 8% of the one-fifth share of the Oil and Gas Gross Production Tax. The current maximum allocation of \$15 million per fiscal year, and \$30 million per biennium is changed to \$20 million per year and \$40 million per biennium.

Engrossed HB 1409 with Conference Committee Amendments will increase the gross production tax revenue that is allocated to the outdoor heritage fund by an estimated \$14 million in the 2015-17 biennium, from approximately \$14 million to \$28 million. This will decrease revenue that is allocated to the strategic investment and improvements fund by \$14 million as well. Both of these are "other funds" and therefore, not shown in 1A above.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 04/21/2015

FISCAL NOTE
Requested by Legislative Council
03/30/2015

Amendment to: HB 1409

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed HB 1409 with Senate Amendments changes the outdoor heritage fund.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 3 of engrossed HB 1409 with Senate Amendments increases the funding for the outdoor heritage fund from 4% to 6% of the one-fifth share of the Oil and Gas Gross Production Tax. The current maximum allocation of \$15 million per fiscal year, and \$30 million per biennium is unchanged in this version of the bill.

If enacted engrossed HB 1409 with Senate Amendments will increase the gross production tax revenue that is allocated to the outdoor heritage fund by an estimated \$7 million in the 2015-17 biennium, from approximately \$13 million to \$20 million. This will decrease revenue that is allocated to the strategic investment and improvements fund by \$7 million as well. Both of these are "other funds" and therefore, not shown in 1A above.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 03/31/2015

FISCAL NOTE
Requested by Legislative Council
02/16/2015

Amendment to: HB 1409

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed HB 1409 modifies the purpose of - and increases the funding to - the outdoor heritage fund.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 3 of engrossed HB 1409 increases the funding for the outdoor heritage fund up to \$40 million per biennium, an increase of \$10 million from the current biennial cap of \$30 million.

If enacted engrossed HB 1409 will increase the gross production tax revenue that is allocated to the outdoor heritage fund by \$10 million in the 2015-17 biennium, and decrease revenue that is allocated to the strategic investment and improvements fund by the same amount. Both of these are "other funds" and therefore, not shown in 1A above.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
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- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/17/2015

FISCAL NOTE
Requested by Legislative Council
01/20/2015

Bill/Resolution No.: HB 1409

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1409 modifies the purpose of - and increases the funding to - the outdoor heritage fund.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 3 of HB 1409 increases the funding for the outdoor heritage fund up to \$50 million per biennium, an increase of \$20 million from the current biennial cap of \$30 million.

If enacted HB 1409 will increase the gross production tax revenue that is allocated to the outdoor heritage fund by \$20 million in the 2015-17 biennium, and decrease revenue that is allocated to the strategic investment and improvements fund by the same amount. Both of these are "other funds" and therefore, not shown in 1A above.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 01/28/2015

2015 HOUSE ENERGY AND NATURAL RESOURCES

HB 1409

2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee

Pioneer Room, State Capitol

HB1409

1/30/2015

Job # 22912

☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the funding and purposes of the outdoor heritage fund; and to provide an effective date.

Minutes:

Attachments 11

Vice Chairman Damschen opens hearing.

Written testimony #1 is given to each member of the committee.

Chairman Porter, District 34

Last session we dealt with a bill that created the Outdoor Heritage Fund. We put a funding mechanism in place. We left a lot of the inner workings to the Outdoor Heritage Fund Committee, which reports to the industrial commission. Over the last 18 months they have been doing projects and providing matching grant funds for significant projects across the state of North Dakota. I will let them get into the meat of the projects they have completed. Under the current funding mechanism, the way the buckets fill on that one percent of the extraction tax. The fund is projected to be, with the latest revenue forecast, for this biennium a total of about 19 million dollars. We have that fund capped at 30 million.

As we get into the bill, the first section, page 1 is just housekeeping language. The start of the bill is on page 2, line 8 the committee as appointed by the governor, there is a set statutory committee that made up of various members, including the Stockman's Association, Pheasants Forever, a various number of groups. After the committee worked through many applications, they came and visited with me and said, we spend a lot of time rehashing the various projects that come up. Here is a list of things that we would like in the century code as part of our mission so we don't have to continue to rehash these issues. We took that list and put it in the bill, these are the things that the funds cannot be used for.

Page 3, sub 2 Grant money time limitations, so groups must use grant money or lose it. Page 3, sec 3 Staffing, dirt ready projects, all preparation work must be finished. There have been a lot of smaller organizations that wanted to do something. An organization that doesn't have a full time staff, that doesn't have anybody that can do the planning of the project. They would need to contract for some of that. Under the current rules they couldn't

do that with grant dollars. This will allow limited use of the grant dollars to help the recipient have some planning dollars to pay for contracted type staff.

Page 4 is the governor's recommended change of the cap amount. The governor would like it changed from 30 million dollars a biennium to 50,000 million a biennium. There is no money inside of this bill, it's just a cap. After page four there are no changes inside of the bill.

Rep. Glen Froseth: You said the money comes from the extraction tax, but in fact it comes from gross production.

Chairman Porter: Yes, that's my error.

Rep. George Keiser: Was there any discussion concerning the five percent for contract staffing, if an organization relatively small and their project is only 10,000 dollars, 5% is not a lot of money. It's not enough to hire a consultant, was there any discussion for giving some authority to the board to let smaller organizations exceed the five percent, if a demonstrated need occurred?

Chairman Porter: No, but we can have that. I think that we could put in a sliding scale that says if the project is 250,000 dollars that they could have up to 10 or 15 percent inside of that subsection.

Chairman Porter: I would like to go back to page 3 sub 2, There was concern of state agencies coming in and being turned down for a project from appropriations. But having money in their budget that would allow them to take general fund dollars, come in and match heritage fund dollars and do the project. We put a limiter in there, that the money that's being used for the match can't be general fund dollars. There is one exception to this, Game and Fish are a special funds agency; they are not affected by this. The Agriculture Department has used general fund dollars to match to get federal funds out of this. We have to make a decision on how we want to handle that.

Rep. Mike Nathe: How many projects were turned down because they didn't have outside help?

Chairman Porter: I'll let others from the Heritage Fund answer that.

Wade Moser, Chairman of North Dakota Outdoor Heritage Fund Advisory Board
Written testimony #2

We report to the Industrial Commission. The twelve voting board members are: four from agriculture, four from conservation wildlife, two from energy, one from business, one from parks. It's a very good mix, it's a coalition. We have an application process. You can get an application from online. We had a struggle because there were so many grant applications because of the loose guidelines. While looking at the applications it made us wonder as to what type of projects we should be focused on. We asked Chairman Porter to guide us in the process. Of the 70 applications we funded 17 because we thought the others did not fit the legislature intent for the money. I think creating 1409 will help our board get some direction as to what you want us to do going forward. It will give an idea to the applicants as

to what areas you would like them to apply for. The committee wants to do this right and do what the legislative committee wants us to do.

Rep. Mike Nathe: How many are these projects were rejected because they didn't have an outside consultant.

Moser: I think it was more that groups did not apply because they didn't have the staff to prepare a project.

Rep. Roger Brabandt: Can we get a list of the members of the advisory board?

Mosher: Yes. (Was added as written testimony 2B.)

Jon Godfread, Vice President of Government Affairs; Greater North Dakota Chamber of Commerce

Written testimony #3

Isis Stark, Director of Government Relation of the Nature Conservancy for ND

Written testimony #4

Bob Kuylen, Vice President for North Dakota Farmers Union

Written testimony #5

Ron Merritt, Director Minot Park District, Public Policy Chair, North Dakota Recreation and Park Association

Written testimony #6

Rep. George Keiser: Are those communities levying the maximum they could for the parks verses other communities that might be doing so and paying for their own equipment? If they're not, should they be receiving dollars from this fund, if they are not willing to levy at the maximum rate?

Merritt: I can't answer for each park district. In general, across the state, parks levy a very small amount. If only 25% able to go towards a playground it does severely restrict a small community from having the ability to move forward for one.

Dennis Hill, General Manager of North Dakota Association of Rural Electric Cooperatives

Written testimony #7

Blake Crosby, Executive Director of the North Dakota League of Cities

Written testimony #8

Carmen Miller, Director of Public policy Duck's Unlimited, Inc

Written testimony #9

Kent Reiersen, Williston, ND, Conservation at Large Member; Advisory Committee Outdoor Heritage Fund.

A couple of things in the Bill I really appreciate are first, some of the additional guidance in terms of what the legislature wants us to use those funds for. Second, the overall flexibility that can be maintained with this bill; that you've allowed us to address exceptional circumstances. One of the areas of concern is the restriction on general funding for Game and Fish.

Rep. George Keiser: Do you think we should make an adjustment downward due to economics of the oil boom now?

Reiersen: Absolutely not. We are going to continue to see the impacts of oil production. We are in a short term dip.

Rep. George Keiser: We will be making cuts in other programs, do you support that?

Reiersen: They are difficult decisions to make.

Mark Zimmerman, Director of North Dakota Parks and Recreation

No matter where the budget ends up, there will be a number of projects still coming in to the Outdoor Heritage Fund Advisory Board in the next biennium. I appreciate having input on the bill. I have one concern as a state agency; the department agrees that it would be inappropriate to transfer funds from one part of our general fund to another to seek funding for a project, but consider that we have clarification for the restriction of the use of general fund money for our staffing and equipment. That the staff time of any of our staff and equipment that was funded with general fund dollars, that we not be restricted to that. The Outdoor Heritage Fund is a worthwhile program to the state of North Dakota.

Kelvin Hullet, President Bismarck -Mandan Chamber
Written #10

Brian Johnson, CEO North Dakota Association Soil Conservation District

We are in support of this bill. We are one of the organizations that received some money from the fund. We will be planting 2.7 million feet of trees this spring.

Mike Donahue ND Wildlife Federation

We support the objectives of 1409. We'd like to see the money go up. We appreciate your effort on this.

Terry Stein, Director of North Dakota Game and Fish Department
Written testimony #11

Ryan Krapp, Volunteer State Chair for the North Dakota Mule Deer Foundation.

We received a grant and came up with a 30% match to enhance habitat and create private partnerships in western North Dakota to enhance ranching grazing and mule deer and wildlife habitat. We received a lot of support in developing a grant application from the committee. Having funding for a consultant would be very helpful. I would recommend a

sliding scale or no cap at all; leave it up to the discretion of the Heritage Fund committee members and the applicant to show need.

Mathew Olson, North Dakota Regional Representative of Pheasants Forever

We've been given a four star rating from charity navigator. I'd like to express support for this bill. I would ask for further consideration on the staffing percentage, as well.

OPPOSITION:

None

Vice Chairman Damschen closes hearing.

2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Pioneer Room, State Capitol

HB 1409
2/12/2015
Job # 23728

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

"Click here to type reason for introduction of bill/resolution"

Minutes:

Attachments 1

Chairman Porter opens discussion

Chairman Porter reviews amendments; written testimony #1

Rep. George Keiser: Moves to adopt amendment.

Rep. Dick Anderson: Second.

Voice vote: Carries.

Rep. George Keiser: Moves a Do Pass.

Rep. Dick Anderson: Second.

Vote: Yes 12, No 0, Absent 1.

Carrier: Rep. Dick Anderson

Chairman Porter closes discussion.

AP
2-12-15

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1409

Page 3, line 4, after "funds" insert "unless the legislative assembly authorizes the use of state general fund money as matching funds"

Page 3, line 7, after "grantee" insert "if the grant exceeds two hundred fifty thousand dollars and expenditures may not exceed ten percent of the grant to a grantee if the grant is two hundred fifty thousand dollars or less"

Page 4, line 1, after "~~four~~" insert "eight"

Page 4, line 1, remove the overstrike over "~~percent of the amount available under this subsection~~"

Page 4, line 1, remove "revenues"

Page 4, line 3, replace "twenty-five" with "twenty"

Page 4, line 4, replace "fifty" with "forty"

Page 8, line 3, after "~~four~~" insert "eight"

Page 8, line 3, remove the overstrike over "~~percent of the amount available under this subsection~~"

Page 8, line 3, remove "revenues"

Page 8, line 5, replace "twenty-five" with "twenty"

Page 8, line 6, replace "fifty" with "forty"

Renumber accordingly

Date: 2/12/15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1409

House Energy and Natural Resources Committee

☐ Subcommittee

Amendment LC# or Description: 15.0453.05002

Recommendation:

- ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions:

☐ Reconsider

☐

Motion Made By Rep Keiser Seconded By Rep Anderson

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter			Rep Hunsakor		
Vice Chairman Damschen			Rep Mock		
Rep D Anderson			Rep Muscha		
Rep Brabandt					
Rep Devlin					
Rep Froseth					
Rep Hofstad					
Rep Keiser					
Rep Lefor					
Rep Nathe					

*Voice
Vote Carries*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: 2/12/15
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1409

House Energy and Natural Resources Committee

☐ Subcommittee

Amendment LC# or Description: 15.0453.05002

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Keiser Seconded By Rep Anderson

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep Hunsakor	✓	
Vice Chairman Damschen	✓		Rep Mock	✓	
Rep D Anderson	✓		Rep Muscha	✓	
Rep Brabandt	✓				
Rep Devlin	✓				
Rep Froseth	✓				
Rep Hofstad	✓				
Rep Keiser	✓				
Rep Lefor	✓				
Rep Nathe	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep Anderson

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

REPORT OF STANDING COMMITTEE

HB 1409: Energy and Natural Resources Committee (Rep. Porter, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1409 was placed
on the Sixth order on the calendar.

Page 3, line 4, after "funds" insert "unless the legislative assembly authorizes the use of
state general fund money as matching funds"

Page 3, line 7, after "grantee" insert "if the grant exceeds two hundred fifty thousand dollars
and expenditures may not exceed ten percent of the grant to a grantee if the grant is
two hundred fifty thousand dollars or less"

Page 4, line 1, after "four" insert "eight"

Page 4, line 1, remove the overstrike over "~~percent of the amount available under this
subsection~~"

Page 4, line 1, remove "revenues"

Page 4, line 3, replace "twenty-five" with "twenty"

Page 4, line 4, replace "fifty" with "forty"

Page 8, line 3, after "~~four~~" insert "eight"

Page 8, line 3, remove the overstrike over "~~percent of the amount available under this
subsection~~"

Page 8, line 3, remove "revenues"

Page 8, line 5, replace "twenty-five" with "twenty"

Page 8, line 6, replace "fifty" with "forty"

Renumber accordingly

2015 SENATE ENERGY AND NATURAL RESOURCES

HB 1409

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Fort Lincoln Room, State Capitol

HB 1409
3/13/2015
24799

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the purposes of the outdoor heritage fund; and to provide an effective date.

Minutes:

13 Attachments

Representative Porter: District 34. The bill in front of you is an update and an enhancement to last session's outdoor heritage fund legislation. During the interim and the first part of the session we worked with the committee that has been put together outside the language. As we go through the policies and the updates that is where they originated from, the Heritage Fund. The language on Page 1 line 20 clarifies what the fund cannot do but it also clarifies what the grantee can't do inside the existing law. From a policy standpoint the real meat of the bill is on page 2 line 8, in the discussions I work closely the commission to fine tune what the funds are to be used for and specifically what the funds cannot be used for. Policies were adopted early on and felt strongly enough about their policies and they were codified from there. They won't go retroactive and get funds that way. When you get down to line 16 playground equipment was the thing that had been requested more than anything. We put restrictions in place that 25% of the equipment cost can be an outdoor heritage project not exceeding \$25,000 per project and that the total grants cannot exceed 5% of the total amount available in a year. They can still participate in those projects at a community level but they would have these restrictions in place. Building projects are always going to be asked for so we put some language in there that came from the commission that give a little more guidance on what they should and should not be doing as far as building projects. (.34-7:20)

Senator Hogue: The new prohibitions on page 2 say that the commission cannot use the funds to finance those numerated items but it then it says except after a finding of exceptional circumstances. How do you respond to that? Is there a definition of exceptional circumstances?

Representative Porter: It leaves the door open for the commission to have the base policies in place. If there is a project or a grant request that they feel has those exceptions then they can forward it to the industrial commission.

Senator Hogue: Both the committee and the commission would have to agree?

Representative Porter: Yes

Senator Triplett: The details for any agency shouldn't be in Century Code, things might change over time. Mostly I think that it is a really good list. This level of detail belongs in the code, I do not think so. Why do you think we need this level in code?

Representative Porter: When you create a pool of money everyone and their brother wants a piece I think that in the beginning the committee was overwhelmed with NDSU Extension projects, paving roads leading up to Lake Sakakawea. Political sub divisions wanted the money and asked that we get out of the way, needed restrictions in place.

Senator Triplett: That is a level of policy statement that I can get behind. I think that on the state level we should use broad language, different things would apply differently.

Representative Porter: You are correct that is why things are that way, and then it comes to maintaining the trail. This commission is busy with a lot of projects they do not need to sit and do everything then they will take the time to dive into it, use their experts but they cannot do all the projects.

Senator Triplett: Maintenance costs. Really good and useful but would have ongoing maintenance.

Representative Porter: The other component is that it sets the ground rules up that they are fully realized projects; put the focus out to the groups applying for the grant. This is big picture stuff not micro; this fund was and is intended for big picture stuff.

Representative Porter then continued to explain the bill.

Senator Laffen: If you have a big project and you need some engineering, civil mostly, is there an intention to make them fundraise for the fees?

Representative Porter: The big projects have staff on staff in their organizations. They pay back their staff time, we allow them to use some of that.

Senator Laffen: Only limited to their internal staff?

Representative Porter: It is both, what I am saying that the bigger grants have those people on staff.

Chairman Schaible: This comes out of the oil extraction tax, right off the top?

Representative Porter: It flows through the process of 1%, it starts filling buckets

Vice Chair Unruh: How did you come up with 40%?

Representative Porter: The governor put 50% in the budget and we thought as it flows back to the property tax relief bucket so the House leadership dialed it back to 40% knowing good and well the scenario.

Wade Moser: Chairman of Outdoor Heritage Fund Advisory Board. Last session we thought we had \$30,000,000 to deal with, there was a little confusion as to if we are the commission, we are not. We make suggestions to them, the board is made up of 16 people, 12 of which have voting rights, they come from recommendation from the gov. Nobody is going to come in and run the show. I am impressed with everyone who has helped with this; originally we had 76 applications come in. Representative Porter came in and explained the legislative intent to us and it worked well. When they make the applications they make them for 4 areas: Hunting and fishing, conservation for farming and ranching, conservation for wildlife, and finally for recreation. The applicant tells us what their primary directive will be; they hit more than one area. The more directives you hit the more support you will get from the committee. We struggle with some of the first round applications, for the next round we tried to make our needs clearer, we did suggest the policy changes and has helped fine tune the applications that have come in. We do not give the dollars out until Karleen reimburses them; the front end has staffing issues. See attachment #1

Senator Triplett: Page 2 between line 8 and 23 are those exactly how your policies are set up now?

Wade Moser: Most of those are how our policy exists now; the playground equipment is different than we have now. We have a mess with the playground equipment because it is wide open and it is not tied to conservation which is the intent. We know that there is a fund in the parks and rec department but there are no dollars in it and we know that playground equipment is important.

Senator Hogue: The 76 projects that you suggested to the industrial commission, how many have they disagreed with you on?

Wade Moser: They have accepted all of our recommendations; keep in mind that for the process we use someone can make an application for a dollar amount and make projects.

Senator Hogue: Representative Porter suggested putting duration stipulation on some of the projects, have you done that with the 76 or have any been unable to meet the guidelines?

Wade Moser: In most cases they will put that deadline on themselves but there are some that are having trouble with the contract that they must sign with the industrial commission. I think timeframes are beneficial.

Senator Laffen: Do you think it makes sense to have the engineering fees to be taken care of outside of the grants?

Wade Moser: In some cases, what we are looking at staffing it is above and beyond.

Senator Laffen: Most of these projects will need a civil engineer that charge around 15%

Wade Moser: In the projects we have seen the amount is around 10%-15%.

Senator Armstrong: Mechanically, when someone has a project that will last 2 construction seasons do you put the money aside and take them out of the fund at the end?

Wade Moser: Yes, we allocate the dollars and then it comes out of the fund. Some of these projects may be up to 5 or 10 years so the dollars are set to draw on as they need to.

Senator Armstrong: After the money is set aside what is your interaction with the groups.

Wade Moser: The requirement in the contract is that reports are needed on a regular basis.

Jon Godfread: Vice President of Government Affairs, North Dakota Chamber of Commerce. See attachment #2. (49:16-52:22)

Senator Hogue: The largest project is the pheasant habitat initiative can you tell us a little about that?

Wade Moser: Chairman of the Outdoor Advisory Board. That project came from game and fish department, ties into NRCS conservation, reserve enhancement program; a federal program that in order to be implemented must enter into an agreement with a state organization and the governor has to sign an agreement with NRCS.

Senator Hogue: Can you tell me if that is one time or it is reoccurring?

Wade Moser: Just a one-time thing.

Kevin Strege: Bismarck/Mandan Chamber of Commerce. See attachment #3. (54:38-55:33)

Scott Peterson: Deputy Director of Game and Fish. See attachment #4 (56:05-58:41)

Kayla Pulvermacher: North Dakota Farmer's Union, presenting the testimony of Bob Kuylen. See attachment #5. (59:58-1:00:23)

Larry Kotchman: State Forester, North Dakota Forest Service. See attachment #6. (1:00:45-1:02:15)

Senator Murphy: What is your recommended mix tree planting?

Larry Kotchman: Diversity of species that can be used in planting. We utilize the field guides and specifications for the USDA, NRCS and most of the practices are put in for tree planting in North Dakota those are based on soil pipes and so we recommend the widest of possibilities.

Chairman Schaible: Tree planting projects with landowners, is that done in conjunction with the NRCS and their cost share program?

Larry Kotchman: No they are not, primarily for those who don't qualify for those programs or want to do practices that aren't funded under those programs.

Senator Triplett: On the last page of your testimony you mention a concern regarding the language prohibits the commission from using any money appropriated from state general fund as matching funds. How do you see that affecting you if we pass that?

Larry Kotchman: The only concern that we would have is in relation to our state forest lands. By and large most of our projects are done on private lands and we have the opportunity to raise match from communities, landowners, fire departments and things like that for our normal programs.

Dana Jahner: Executive Director North Dakota Rec and Park Association. See attachment #7. (1:05:23-1:06:50). Also handed out testimony from the Blake Crosby with North Dakota League of Cities. See attachment #8.

Zac Smith: Government Relations Director, Rural Electrical Power Coops. See attachment #9. (1:09:12-1:10:10)

Senator Murphy: On the second page of your testimony the public opinion poll of January 2014 64% chose environmental stewardship over economic development. Can you tell me a little bit about the sampling?

Zac Smith: I would need to look at the polling as it was done before I had this position.

Carmen Miller: Director of Public Policy Ducks Unlimited, Great Plains Region. See attachment #10. (1:11:29-1:14:19)

Opposition

Dan Wogsland: North Dakota Grain Growers Association. See attachment #11 (1:14:43-1:16:07)

Chairman Schaible: Other than the funding are you in favor of the rest of the bill?

Dan Wogsland: As has been previously stated there have been a great amount of discussions as to what the Outdoor Heritage Fund does mean and should mean to the people of the state of North Dakota.

Other testimony handed in - Glen Baltrusch representing self. See attachment #12.

Julie Ellingson representing North Dakota Stockman's Association. See attachment #13.

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Fort Lincoln Room, State Capitol

HB 1409
3/19/2015
25122

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Katie Oliver

Explanation or reason for introduction of bill/resolution:

Relating to the purposes of the outdoor heritage fund; and to provide an effective date.

Minutes:

1 Attachment

Senator Laffen handed out the amendment and explained the changes that it made. See attachment #1.

Chairman Schaible: I talked to Mr. Moser and he told me that most projects that require engineering are matched at 25% or greater. He didn't know of any project that requires engineering that wouldn't be a match. Part of the problem is that they can use their entire match of engineering if they would like; even with the bill as it is now it could go up to 30% of the cost for engineering using the match. The other question is the limiting factors if some agencies came in and had engineering within themselves could not go above the money going for the project that is what the limiting factor is.

Senator Triplett: They are both listed as may not exceed so it leaves the Industrial Commission and the advisory group in charge of making decisions. There was also testimony that the smaller groups that go in have no staff at all and if they want to the match dollars. This is permissive and allows for more flexibility.

Chairman Schaible: The entities who have engineers on staff it would give them the option to pay themselves up to 40% of the additional cost to their own staff and I would see that as a potential problem. I could see where that, we would be opening that exemption.

Senator Murphy: I think that is why it is a good thing that it takes into account the economy of scale. A smaller project might need a greater percentage.

Chairman Schaible: Where are we at with engineering projects? There is all kinds of matches at 5 or 10% these are all 25% or greater.

Senator Laffen: I looked through the list and architecture has never been used it is always engineering.

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Fort Lincoln Room, State Capitol

HB 1409
3/26/2015
25467

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Katie Oliver

Explanation or reason for introduction of bill/resolution:

Relating to the purposes of the outdoor heritage fund; and to provide an effective date.

Minutes:

1 Attachment

Chairman Schaible opened the public hearing on HB 1409.

Vice Chair Unruh handed out amendment number 15.0453.6002. See attachment #1.

Senator Triplett: Do you have a Christmas tree version of the bill prepared.

Vice Chair Unruh: I do not; part of the reason is basically adding a new section to the bill with the way that the buckets are approached in the code.

Senator Laffen: I handed out an amendment a few days ago that we can vote up or down. It was amendment number 06001 and if you go back to the original bill page 3, section 3 line 8 it increases the percentage for engineering, currently they are at 5 and 10 and it would raise it to 10 and 15.

Chairman Schaible: I had some conversations with people from the Outdoor Heritage Fund and one of the questions that they brought up of the projects that use engineering or design most of them are matching grants of some kind at least at 25%. All of the projects that are done it is either match of 25% or more but by changing this downside is that they could use up to 30% of the match and if we move it will go up higher. If there was a 25% match, 30% of the funds could be used for engineering and design this would raise that if we wanted to.

Senator Laffen: I would like to go on record and say that I am an architect and I am not doing this for the architects. In fact, of all the projects from the last round there was only one that had a building on it and it was a pre-engineered building so it means that the architecture firm a long way from North Dakota.

Senator Triplett: Vice Chair Unruh, are you tracking the language in that bill to make them consistent.

Vice Chair Unruh: Legislative Council suggested that we mimic the language in HB 1176 right now.

Senator Triplett: That is a separate policy discussion; my understanding is if there are 2 different bills then they have the authority to harmonize them. I would object to this so it adds an extra thing we need in this committee.

Vice Chair Unruh: I had extensive conversations and there is no way to harmonize if we leave this out.

Senator Triplett: We can agree to the relative position of the fund but not at the dollar amount.

Senator Murphy: To Senator Laffen's amendment I was just thinking about projects that do not have a match it would be nice to have some support.

Senator Triplett: I do not read the Senator Laffen's amendment as being able to go that high not necessarily having to go that high.

Chairman Schaible: 5 % isn't enough to do it and you have the potential to pay themselves more than what the intent of the fund is used for. It is my understanding that all of them would be a 25% match. There are no projects below that level but I do not want that avenue misused.

There was no further discussion and Chairman Schaible closed the committee work on HB 1409

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Fort Lincoln Room, State Capitol

HB 1409
3/27/2015
25535

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Kato Oliver

Explanation or reason for introduction of bill/resolution:

Relating to the purposes of the outdoor heritage fund; and to provide an effective date.

Minutes:

1 Attachment

Chairman Schaible opened the committee to work on HB 1409

Vice Chair Unruh: I handed out amendments yesterday to adjust the funding for it, moving it in the bucket system a little further down the list. We had a few issues with it, one of them being the education funding piece that was put in right above the Outdoor Heritage Fund bucket. It is my understanding that they are going to address the educational funding in a different manner that was the plan and it is no longer the plan. I think that we could have found a work around that but there was some other issues with moving the bucket down the list, one of them being as money comes into these funds that top tier of buckets get money immediately and this functioning of the percentage allows dollars to come into the fund immediately and constantly. If we move the bucket further down the list the buckets above fill first and the buckets below fill later in the biennium which would have left the Outdoor Heritage Fund with no funding for the first 10 months. I didn't think that was appropriate. In front of you have some additional amendments. These are separate amendments, they are very simple. What I am proposing to do is adjust the percentage down originally it is at 4% of 1% of the production tax proposed by the House in this bill they doubled that to 8%; I am proposing we move that down to 6% and I am also reverting to the original language in the bill capping the funds at \$15,000,000 per fiscal year. See attachment #1.

Chairman Schaible: The amendment from yesterday was a .6002 version so that one you are no longer suggesting and you are replacing it with the Unruh amendment.

Vice Chair Unruh: That is correct.

Senator Laffen: In reality, if I understand your amendment, we are leaving this where it is today with the exception of raising the 4% to 6% so in the end it is an increase.

Vice Chair Unruh: As proposed the bill would be increasing the funds. Right now 4% is getting us a little over \$20,000,000 the 8% with the current revenue projections would get us to \$28,000,000 mark. I believe this 6% would get us a little closer to the \$22,000,000-\$24,000,000 range. I think that the Outdoor Heritage Fund has value and increasing the percentage that goes into the fund and I think that we need to make sure we can keep dollars in that fund, keep projects moving and by no means am I trying to propose something that will stifle the projects that are coming out of the fund. This is an increase of current law but I do not think it is an over allocation of dollars, I think that it is a happy medium.

Senator Triplett: I think that the only way we can call it an increase is because we were not allowed to fix the bill 2 years ago when it was set at a supposed cap of \$30,000,000 per year but the rate was not sufficient to accomplish that. The intention was to have it set at \$30,000,000 but then there was the glitch in how the formula worked out so everyone knew at the beginning that it wasn't really going to get \$30,000,000. By changing the percentage it appears that it may allow it to get to the \$30,000,000 but not more than what is authorized. Is that a fair statement?

Vice Chair Unruh: Some would call it a glitch; some would call it appropriate policy. I was well aware that the projections would not have gotten to the \$30,000,000 cap, I think that the 2 are completely separate. The 4% of the 1% would secure a certain dollar amount with different revenue projections.

Senator Triplett: Under what circumstances is the range that is being suggested now from money flowing into the string of buckets, what does the 6% mean?

Vice Chair Unruh: I addressed that when I talked about the 6%, I think that it gets us around the \$20,000,000 mark under the current revenue that came out a week and a half ago. When we got our first set of projections for the next biennium in January I think that there were a lot of us that expressed some concern with how quickly this bucket fills up compared to other buckets that I think are just as high as a priority as the Outdoor Heritage Fund and some of those buckets took a dramatic hit, especially the water resources trust fund and property tax relief fund. This stayed the same and wasn't really affected by revenue projections and I think that it is important for us to take a close look at what our priorities are and these amendments get us one step closer to evening the playing field.

Senator Triplett: I think that your argument is with the leadership in that sense because that is where the bucket idea came from. If you object to the concept of things being filled evenly then we would need a much bigger amendment to accomplish that. When you say that the 6% would get us closer to the \$23,000,000 is that on a per year basis or a biennial basis?

Vice Chair Unruh: That is on a biennial basis.

Senator Triplett: So the 6% with current projections wouldn't come close to the \$30,000,000?

Vice Chair Unruh: No, under current projections this would not get us \$30,000,000 cap. I am not saying I have a problem with the bucket structure, I like the bucket structure, it is the prioritization of certain funds under the bucket structure that I think a lot of us took a close look at.

Vice Chair Unruh then made a motion to adopt the Unruh amendments to HB 1409 with a second by Senator Laffen.

Senator Murphy: I was heartened by what the governor did but I would like to hold it at 8% so I am going to stay there.

Senator Hogue: I liked the previous proposal more than I like this one and I think that she is right we have to get our priorities and be deliberate about what we fund and what we don't and I like the way the fund has been administered in the past biennium but I do not support the increase so I oppose the amendment as well.

There was no further discussion, roll was taken and the motion passed on a 4-3-0 count.

Senator Laffen then made a motion to adopt .06001 and further amend HB 1409 with a second by Senator Murphy.

Senator Triplett: I am going to favor the amendment, I think that as I understand it the guidelines the buildings are pretty much out of the consideration now and only one building made it through on the first round. This would not in any way mandate that engineering fees would rise to the level that is authorized it is just giving the industrial commission and the advisory committee a little bit more flexibility in cases where engineering costs are a legitimate part of it. I assume a fair number of these projects don't require any engineering fees at all but some of them may require them and if we are going to be spending the money we should be doing it correctly.

There was no discussion, roll was taken and the motion failed on a 3-4-0 count.

Senator Armstrong then made a motion for a do pass as amended with a second by Vice Chair Unruh.

Senator Armstrong: I supported the amendment because I was worried what would happen to the bill without it. I tend to agree in my opinion that the fix that was offered allows the bill to meet the cap under certain circumstances which last session couldn't. That fix is better with the current revenue projections; I am hoping some of it can get worked out.

There was no further discussion, roll was taken and the motion passed on a 4-3-0 count and Vice Chair Unruh carrying the bill to the floor.

Chairman Schaible then closed the committee work on HB 1409.

PROPOSED AMENDMENTS TO ENGROSSED HB 1409

(Sen. Unruh)

Page 4, line 5, replace "eight" with "six"

Page 4, line 7, replace "twenty" with "fifteen"

Page 4, line 8, replace "forty" with "thirty"

Page 8, line 7, replace "eight" with "six"

Page 8, line 9, replace "twenty" with "fifteen"

Page 8, line 10, replace "forty" with "thirty"

March 10, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1409

Page 3, line 8, replace "five" with "ten"

Page 3, line 9, replace "ten" with "fifteen"

Renumber accordingly

March 27, 2015

3/27/15
JRE

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1409

Page 4, line 5, replace "eight" with "six"

Page 4, line 7, remove the overstrike over "~~fifteen~~"

Page 4, line 7, remove "twenty"

Page 4, line 8, remove the overstrike over "~~thirty~~"

Page 4, line 8, remove "forty"

Page 8, line 7, replace "eight" with "six"

Page 8, line 9, remove the overstrike over "~~fifteen~~"

Page 8, line 9, remove "twenty"

Page 8, line 10, remove the overstrike over "~~thirty~~"

Page 8, line 10, remove "forty"

Renumber accordingly

Date: 3/27/2015
Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1409**

Senate	Energy and Natural Resources	Committee
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☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken	Adopt Amendments
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Motion Made By Vice Chair Unruh Seconded By Senator Laffen

[illegible]

Total	(Yes)	4	No	3
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Absent	0
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Floor Assignment

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

Page 4, line 5, replace "eight" with "six"

Page 4, line 7, replace "twenty" with "fifteen"

Page 4, line 8, replace "forty" with "thirty"

Page 8, line 7, replace "eight" with "six"

Page 8, line 9, replace "twenty" with "fifteen"

Page 8, line 10, replace "forty" with "thirty"

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1409**

Senate Energy and Natural Resources Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .06001

Action Taken Amend Further

Motion Made By Senator Laffen Seconded By Senator Murphy

Senators	Yes	No	Senators	Yes	No
Chairman Schaible		X	Senator Murphy	X	
Vice Chair Unruh		X	Senator Triplett	X	
Senator Armstrong		X			
Senator Hogue		X			
Senator Laffen	X				

Total (Yes) 3 No 4

Absent 0

Floor Assignment _____

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

Date: 3/27/2015
Roll Call Vote #: 3

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1409**

Senate Energy and Natural Resources Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken	Do Pass as Amended
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Motion Made By Senator Armstrong Seconded By Vice Chair Unruh

[illegible]

Total	(Yes)	4	No	3
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Absent 0

Floor Assignment	Vice Chair Unruh
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If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1409, as engrossed: Energy and Natural Resources Committee (Sen. Schaible, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1409 was placed on the Sixth order on the calendar.

Page 4, line 5, replace "eight" with "six"

Page 4, line 7, remove the overstrike over "fifteen"

Page 4, line 7, remove "twenty"

Page 4, line 8, remove the overstrike over "thirty"

Page 4, line 8, remove "forty"

Page 8, line 7, replace "eight" with "six"

Page 8, line 9, remove the overstrike over "fifteen"

Page 8, line 9, remove "twenty"

Page 8, line 10, remove the overstrike over "thirty"

Page 8, line 10, remove "forty"

Renumber accordingly

2015 CONFERENCE COMMITTEE

HB 1409

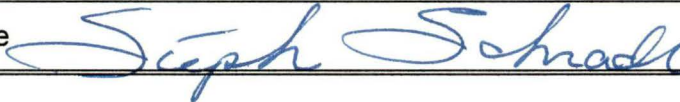
2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Pioneer Room, State Capitol

HB 1409
4/15/2015
Job # 26130

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the funding and purposes of the outdoor heritage fund; and to provide an effective date.

Minutes:

Attachments 2

Rep. Porter opens meeting.

Senator Donald Schaible: Explains proposed amendments; **attachment #1**. The three changes were the money issues with the percentage and the capped amount.

Rep. Todd Porter: Since the hearing in the house there has been some discussion about playground equipment and also some discussion in regards to getting some language in the bill, in the purpose area to be more towards the conservation projects and the bigger projects, that when we first developed this two years ago was not really the focus of what we were doing. Not getting down into a micro projects. Did the Senate get into that discussion?

Senator Donald Schaible: We did and a majority agrees with you that the Outdoor Heritage was more for conservation, more for outdoor things. My opinion is that playgrounds and structures were not in the scope of the focus of the idea of the Heritage Fund. The projects may include a sun shelter or resting station as far as the buildings that are exceptions. I agree that the funds are for conservation use and looking at the projects we had, the conservation, hunting, Game and Fish projects were good, the tree planting was good. The scoop needs to be narrower to look at the priorities of what we believe what that fund was set up for.

Senator Jessica Unruh: I echo the thoughts of Senator Donald Schaible; a narrow scope is appropriate for this fund. The discussion that we had last session and the discussion we've had in the interim have all revolved around true conservation efforts. I think that the closer we can get these funds being used for true conservation here in North Dakota; preserving what we have and enhancing it for use is the direction that we need to go in. If we can do that by refining some language in this bill I'd be amenable to that.

Senator Philip M. Murphy: I'm a hunter and I'm a fisherman and I like that stuff; I do think we ought to be going that way. I do appreciate the boat ramps and those types of things. I don't think that the committee has made a bad choice thus far. If they can take more guidance in the form of going towards more conservation or more habitat that's fine with me. I'm in favor of making it as big as we can.

Rep. Mike Nathe: I agree with what everybody has just said. The one section I was uncomfortable with this last session was the playground equipment issue. In my mind it just didn't seem to fit very well, I agree with what's been said and we should look at taking it out. Another thing that did not agree with me and I've heard from some groups that has to do the four members of the conservation community. This isn't meant to pick on the groups that are listed. I think it's a bit unfair to the rest of the conservation groups out there in naming just a few. We have several conservation groups that I think should also be considered to be put on the board. To just list two in code gives them preferential treatment and having two at large does a disservice to the other conservation groups. I'd like to see this committee at least discuss this a little bit more and open it up to everybody. I think in the interest of fairness it needs to be opened to four at large members. This is something that has never set well with me and that's why I bring it up.

Chairman Porter: Being a life member of Pheasants Forever, I tend to agree. I think that naming them as a guaranteed spot is not necessarily in the best interest of conservation. I think that they should have an equal footing inside of the conservation community. Rocky Mountain Elk, Wild Turkey Federation, Mule Deer Foundation, Pheasants Unlimited, there are all sorts of conservation members and communities that have to vie for those two at large spots and then you have two named groups, so I would have to agree. Even coming from the Pheasants Forever community, I don't know that it's necessarily fair to the other groups that they have cart blanche on this committee, they should have to prove their membership to the governor like anybody else in the application process.

Rep. Mike Nathe: Why were the two conservation groups given (in my mind) preferential treatment to be put in here over the other groups?

Chairman Porter: When the bill was drafted last session it actually named either three or four conservation members. That came out of the bill draft of the working group that was chaired by the North Dakota Chamber and the Bismarck Mandan Chamber. We changed it, I don't recall if it came as four named or three named and one at large.

Senator Jessica Unruh: I'm happy that we are having this discussion here today. That is something that has not set well with me either. I agree with Rep. Mike Nathe. I think that's something we should be taking a look at here as we try to refine this and the scope of the program and who is involved.

Chairman Porter: I'm not exactly sure, maybe Tell can do some research for us what the terms of the office are. Read through the term portion on sub 2,3,4,5 **written testimony #2**) and see if they were staggered the first go around or if they all come to expiration the first go round or how that worked because everybody was appointed at the same time the first go round.

Senator Jessica Unruh: The end of sub 3 does direct the board to stagger the terms.

Rep. Naomi Muscha: I would say that I second all of those comments. We hunt and fish also, and I get a lot of comments from people that it would be nice to have more access for kayakers, and more river access in general.

Chairman Porter: Committee as we are looking at the Senate amendments, I think everyone is aware that HB1176 had the formula in it; that bill passed both chambers of the legislatures so it took the discussion off of the table about the eight and six percent and the 15 and 20 million cap of the 40. Is it the Senate's position that we're going to use 1176 and then work on some of the policy issues?

Senator Donald Schaible: I understand that the last one passed takes precedence.

Chairman Porter: It's the last one that's signed by the governor. Are we taking the money part off of the table and following 1176?

Senator Donald Schaible: I think we are heading that way, but when appropriations dealt with the other bill and put it on there it was under the understanding that this one would go to conference committee so I think the Senate side thought this was going to be in a straight up conference committee. So maybe that will not happen, but it was the Senate's position that that's where this was going to go. I don't think the money issues, what the appropriated amount of the cap is irrelevant whether it's going to fill this session or not because at some point if the oil revenue turns around that it will fill up. Our concerns are that we have quality projects to fill the needs of what we are looking at. I think there were concerns that we don't want to have money looking for a project, we want to have quality projects to fill the needs that we have. I think it's going to be a problem.

Senator Jessica Unruh: I concur with Senator Donald Schaible.

Rep. Mike Nathe: Was it the Senate's contention that what we sent over to you was too much money and you're worried that it wasn't all going to be used for the intended purposes?

Senator Donald Schaible: I'd rather see us have a need for 30, 40 of quality projects before we raise it. We didn't fill the cap last time and we're not going to fill it this time by projections. It seems to me it makes sense to hit the cap and have quality projects waiting before we did raise it.

Chairman Porter: Inside of our intended uses and intended projects, I tend to agree with you that the funds, the focus, and the purpose in order for me to convince you and justify the dollar amounts should be on the policy side of where the funds are used and how the projects are defined and looked at in order to convince you and assure you that we are in fact looking for the good projects. To me whether the money is spent or not or whether it sits there is irrelevant to the standpoint that the projects need to fit, not just spend the money because it's there. I hope that as we work through this bill that we can use our policy adjustments to those projects and the mission statement of the board or for the industrial commission to be doing those large scale projects and that helps ease some of your concerns with how the money is set and how the percentages are set.

Senator Donald Schaible: I think it is not irrelevant that we have the money just sitting there. I think it's important that when we spend money we have an idea what this is going to be done for. I'm afraid of money looking for a project that bothers me a little bit. If we need to go up we're going to go up and that's okay, but it should be done in a way of need rather than projections. The other side is that these caps aren't going to hit, we'll be back in two years and will have to discuss it again.

Senator Jessica Unruh: The Senate's reasoning for the amendments that we adopted are twofold. I agree whole heartedly with my chairman, we want to make sure we've got quality projects moving forward and we want to make sure that these dollars are really truly being spent on conservation. I agree with you that if we narrow the scope and take a closer look at the guidance in the code for the members of the board to be able to evaluate what qualifies and what doesn't and direct the dollars in the most appropriate form, does help take care of some of those concerns, although I think some still remain. Also this session has revolved around the price of oil, we had a drop right when we came in and our revenue projections got cut, drastically. In response to that we've looked at cutting a lot of different things throughout the session and I think the Senate's position was not so much that we need to cut funds for this program because we think its valuable and it's good, but that maybe increasing this while trying to reduce other things along the way was not the most pragmatic approach. That was the second half of the reasoning behind our amendments.

Senator Philip M. Murphy: We had 70 million dollars in asked for projects, some were approved and two out of three people walked away without what they wanted. Some of that was due to the board's observations as to what was falling within the parameters and what was not. I have at least a modicum of comfort with the way this board is operating, the decisions that they're making. I feel very good about the hands that we've got on this; I'm hoping that we can keep it rolling at a high rate.

Chairman Porter: We will refocus, redesign, and reschedule. Meeting is adjourned.

2015 HOUSE STANDING COMMITTEE MINUTES

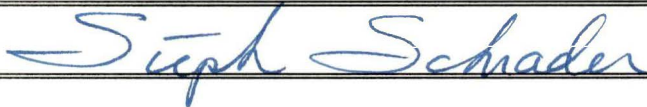
Energy and Natural Resources Committee

Pioneer Room, State Capitol

HB 1409
4/17/2015
Job # 26205

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the funding and purposes of the outdoor heritage fund; and to provide an effective date.

Minutes:

Attachments 3

Chairman Porter opens meeting. Hands out amendments 06000; **attachment #1**, membership sheet; **attachment #2**. Take a look at the Outdoor Heritage Fund Advisory Board Membership and the term of appointments.

Rep. Mike Nathe: This is not to take a jab at any of the current organizations that are on the board. Rather it is a response to the rest of the conservation groups that feel it is unfair that two are permanently on the board and only two at large spots are open. We have a large number of conservation groups out there in North Dakota. I think it is a matter of fairness that we open it up to everybody; it's not a reflection on the two current board members. As Chairman Porter said they will be on this board until their term is up and then they can re-up again. This is not meant to remove anybody from the board. I have been asked why we haven't done this with the agriculture part of the board. Frankly, there are far more conservation groups than there are agricultural groups. I haven't heard anything from the agricultural community as far as the makeup of the board. They seem to be pretty happy with the status quo that is the reason I did not make a suggestion to deal with that portion of the board. I think it's a good amendment, it opens it up. Anytime we start these new programs we always tweak them as we go along, find out what works and what hasn't. I think the Outdoor Heritage Fund is working fantastically. I think it's got a good future about it and I agree with the amendment.

Senator Philip M. Murphy: Yesterday, I was able to speak with three different members of the committee at different times, individually, about some of my concerns. I told them I was going to share them and I will do that. I think to specifically remove conservation groups without removing other groups that are named as well seems a little bit unfair and capricious. Revenge is a dish best served cold, meaning it works well when you don't see it coming. I believe you in that this isn't a revenge move or you have nothing in particular against these people, but what I'm concerned about is the way it's going to look. I don't want this to be the Outdoor Revenge Fund, and so I'm going to resist that amendment. I

think this whole thing about changing the board without a hearing is also against the rules. I think it's in the joint rules, chapter 3 subsection 5, "conference committees shall confine their conferences and recommendations to consideration of the general differences that gave rise to the appointment of the committees. I brought that up with some of you folks yesterday and it does happen a lot but many wrongs don't make a right in my view. I'd like to see this get a hearing I'd like to see this be talked about. I would like to see this go through the process, that's my point. I appreciate the chance to speak on it.

Rep. Todd Porter: Moving into the upper portions of the amendment; the priorities given and the directive. Referring to **attachment #3**; when you look at how the directives on page one of the bill are laid out, you will see how the committee, based on the Heritage Fund language, took those directives and put them into their policy, and how the language suggested by Senator Donald Schaible in regards to the big projects the big picture play into the directives.

Senator Donald Schaible: The layout of the language listed it that way. I think this language reaffirms and assures that it will be done that way and I think that's a good thing. I think that was the intent of what we were trying to do, that big projects would be prioritized first. I think that is what happened and this would just make sure it would continue to happen that way, so I see it as a good change.

Chairman Porter: The next component that we will talk about is the amendment to the playground component on page 2, changing from 25 to 10. One of the biggest concerns in my discussion with the committee has been the number of applications that are for just a city swing set that this fund was never intended for. We weren't clear when we developed it last session, that it really wasn't the big picture, where it's a total park concept and it falls into the fourth bucket as far as parks and recreation areas. That the establishment and development of parks was loosely interpreted to include the city swing set component. I think the committee found out way more than they wanted to about how expensive those things really are. I think from my standpoint that when they are part of a comprehensive plan to a large scale recreation area, such as a new park with trails, then it's part of the big picture. But when it's a standalone playground, which they seem to have been inundated with, I don't know that fits. From my standpoint we're putting more out there than I feel comfortable with. At first I thought we should have a period after playground equipment, but then I didn't want to limit it so that when it was part of a comprehensive plan that they couldn't look at it. I move it down to 10,000 dollars and we kept the cap at five percent of the total grants per year. I think that by putting the priority language in the bill that Senator Donald Schaible talked about, that changes the focus so that at the end of the grant rounds if there are funds available they can look at some of those things. However, the priority is going to be the big picture projects. That's where I'm coming from with that change.

Senator Donald Schaible: It's five percent of the total project, not five percent of the total state funds but total project, because there could be some matching or some other things.

Chairman Porter: The limiter on each grant would be up to 25 percent of the cost of the playground equipment not to exceed 5,000 dollars.

Senator Donald Schaible: If the project had a match from a local share that could be way more for a playground and still that would just limit this. So is it the same with the engineering and architectural costs, what we had heard was that these are large ticket projects and the matches could be all for whatever they thought was appropriate. That's leaves them an avenue too.

Chairman Porter: That's correct. I do want to be clear that the five percent is out of the total pool of money per year, no more than five percent total can be thought of going to them. So the five percent is the total cap, but each project is up to 25 percent or 10 thousand dollars, whichever is less.

Chairman Porter: The other part that was my language was section 6; putting the emergency clause on the limit of the duration of an offer.

Senator Jessica Unruh: I want to commend you for coming up with that emergency clause, I think that will help free up some of the dollars as they close in on this first biennium of being able to allocate funds for different projects. I think this will help them with that. Good job.

Senator Donald Schaible: Explain how all of that would work if a project is out there and they have a certain timeline of how much and if they don't meet that deadline it's just considered that they have to rebid and the money goes back into the pool. Is that how that works?

Chairman Porter: Each grant would have a timeline that would be established by the board. The entity who had applied for the grant would know going into it when they got the contract from the industrial commission what their time line is to sign and except the grant. If they don't except the grant or they aren't ready for the grant or something else comes up and they can't perform the grant and it would reach that expiration date then the money would go back in the pool and they would be allowed to reapply at a later date for that grant.

Chairman Porter: The other component of the amendment is on page 4, the discussion of the dollar amount that is available to the Outdoor Heritage Fund the bucket that is filling for that purpose. On line 5 the Senate had amended the eight percent down to six, on line 7 it was amended from 20 million dollars per year to 15, and on line 8 it was amended down from 40 to 30. In this amendment that the Senate is receding, it would restore those values to the House version at eight percent, 20 million and 40 million per biennium.

Senator Donald Schaible: Reluctantly, I have to agree with the logic that that's probably been off of the table and I think we know that it's in a different bill that the House could pass and it would stay there. I'm not in favor of the 40 and I think I made those comments clear, but I think the language in the rest of this is something that we need and want. So, I don't see any other avenue than just to recede to that fact.

Senator Jessica Unruh: Nods her head.

Senator Philip M. Murphy: Nods his head.

Rep. Todd Porter: Are there any other comments?

Senator Donald Schaible: The Senate will recede from its amendments and further amend with the 6006 version.

Senator Jessica Unruh: Second.

Chairman Porter: Motion from Senator Donald Schaible to let the Senate recede from its amendments as printed on page 1304, and further amend with the 06006 version. Seconded by Senator Jessica Unruh is there any discussion on the motion?

Senator Philip M. Murphy: I think you all know what I'm going to say, I am in favor of everything but the changes on the board. I would like to commend those members of the committee on the rest of that work, but I won't be supporting it.

Chairman Porter: Before we vote I would like to say I know that there are a number of people here today along with some of the board members and I want to commend them on their work over the last 18 months in taking a milestone piece of legislation last session and doing the good that they have done with that legislation. I was very pleased that they came back to us as a group and asked us to fine tune it so that it will be an even better working model going forward for them in the future. I want to commend them for their fine work and for the Industrial Commission's work on moving conservation and the outdoor heritage of North Dakota forward. At this time the clerk will take the roll on the motion.

Vote: Yes 5, No 1, Absent 0.

Chairman Porter: Motion carries, I want to thank everybody for their hard work and diligence on this matter. Meeting adjourned.

APR
4-17-15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1409

That the Senate recede from its amendments as printed on page 1304 of the House Journal and page 1001 of the Senate Journal and that Engrossed House Bill No. 1409 be amended as follows:

Page 1, line 1, replace the first comma with "and"

Page 1, line 1, after the second comma insert "subdivision c of subsection 1 of section 54-17.8-06,"

Page 1, line 1, after the second "and" insert "section"

Page 1, line 2, after "fund" insert "and the outdoor heritage advisory board"

Page 1, line 3, remove "and"

Page 1, line 3, after "date" insert "; and to declare an emergency"

Page 1, line 9, after "organizations" insert ", with higher priority given"

Page 1, line 10, after "conservation" insert "practices"

Page 2, line 17, replace the second "twenty-five" with "ten"

Page 3, after line 17, insert:

"SECTION 3. AMENDMENT. Subdivision c of subsection 1 of section 54-17.8-06 of the North Dakota Century Code is amended and reenacted as follows:

- c. Four members from the conservation community. The governor shall appoint ~~from a list of nominations one member from ducks unlimited of North Dakota, one member from the North Dakota chapter of pheasants forever, and two~~the members from the conservation community at large of statewide conservation groups."

Page 12, after line 27, insert:

"SECTION 6. EMERGENCY. Subsection 2 of section 54-17.8-05 as amended by section 2 of this Act is declared to be an emergency measure."

Renumber accordingly

**2015 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1409 as (re) engrossed

House ENR Committee

- Action Taken**
- ☐ HOUSE accede to Senate Amendments
 - ☐ HOUSE accede to Senate Amendments and further amend
 - ☐ SENATE recede from Senate amendments
 - ☒ SENATE recede from Senate amendments and amend as follows
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Donald Schaible Seconded by: Senator Jessica Unruh

Representatives	4.14	4.17		Yes	No		Senators	4.14	4.17		Yes	No
Rep. Todd Porter	X	X		X			Senator Donald Schaible	X	X		X	
Rep. Mike Nathe	X	X		X			Senator Jessica Unruh	X	X		X	
Rep. Naomi Muscha	X	X		X			Senator Philip M. Murphy	X	X			X
Total Rep. Vote				3			Total Senate Vote				2	1

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier None Senate Carrier None

LC Number 15.0453. . 06006 of amendment

LC Number _____ . 08000 of engrossment

Emergency clause added or deleted:

Statement of purpose of amendment:

The Senate will recede from its amendments and further amend with the 6006 version.

REPORT OF CONFERENCE COMMITTEE

HB 1409, as engrossed: Your conference committee (Sens. Schaible, Unruh, Murphy and Reps. Porter, Nathe, Muscha) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1304, adopt amendments as follows, and place HB 1409 on the Seventh order:

That the Senate recede from its amendments as printed on page 1304 of the House Journal and page 1001 of the Senate Journal and that Engrossed House Bill No. 1409 be amended as follows:

Page 1, line 1, replace the first comma with "and"

Page 1, line 1, after the second comma insert "subdivision c of subsection 1 of section 54-17.8-06,"

Page 1, line 1, after the second "and" insert "section"

Page 1, line 2, after "fund" insert "and the outdoor heritage advisory board"

Page 1, line 3, remove "and"

Page 1, line 3, after "date" insert "; and to declare an emergency"

Page 1, line 9, after "organizations" insert ", with higher priority given"

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- c. Four members from the conservation community. The governor shall appoint ~~from a list of nominations one member from ducks unlimited of North Dakota, one member from the North Dakota chapter of pheasants forever, and two~~ members from the conservation community at large of statewide conservation groups."

Page 12, after line 27, insert:

"SECTION 6. EMERGENCY. Subsection 2 of section 54-17.8-05 as amended by section 2 of this Act is declared to be an emergency measure."

Renumber accordingly

Engrossed HB 1409 was placed on the Seventh order of business on the calendar.

2015 TESTIMONY

HB 1409

North Dakota
STOCKMEN'S ASSOCIATION

#1



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1/30/15

1409

EXECUTIVE COMMITTEE

PRESIDENT
STEVE BROOKS
Bowman

VICE PRESIDENT
WARREN ZENKER
Gackle

IMMEDIATE PAST PRESIDENT
JASON ZAHN
Towner

HB 1409

Good morning, Chairman Porter and members of the House Energy and Natural Resources Committee. For the record, my name is Julie Ellingson and I represent the North Dakota Stockmen's Association, an 85-year-old, 3,000-member cattle producers' trade organization.

Our organization believes in conservation and was among the diverse group of stakeholders that designed the Outdoor Heritage Fund and presented the idea to the legislature last session. We have been pleased with the effort and the kinds of projects that the fund has been able to support to put conservation projects on the ground, which is obviously important to the agricultural community. We appreciate the parameters in which the fund operates under – particularly no land acquisition or easements longer than 20 years – as well as the wide array of stakeholders that have a voice in the decision-making process through the advisory group.

We can support the policy additions to the grant eligibility requirements reflected in the bill. They speak to the legislative intent of the Outdoor Heritage Fund and codify the parameters the advisory board has used in its selection process to date.

We likewise support the revisions in 54-17.8-05, which allow the commission to place conditions on an offer or a grant, including a limit on the duration of an offer, and the prohibition of the use of state general funds as match.

While we support funding for the Outdoor Heritage Fund, the number of qualified projects vying for the dollars has not come forth as anticipated, and the fund likely will not spend the dollars that were allocated to it this biennium. Consequently, we do not think it has demonstrated the need for the enhanced appropriation and, therefore, respectfully disagree with the dollar amount indicated in this bill, particularly at this time when there is uncertainty about the resources that will be available to the state.

Thank you for this opportunity to comment.

BOARD OF DIRECTORS

DISTRICT 1
KEVIN ELLIOTT
Clifford
DAN RORVIG
McVie
LEVI RUE
Sheyenne
JEFF SCHAFER
New Rockford

DISTRICT 2
BRIAN AMUNDSON
Jamestown
CURTIS BROWN
Montpelier
JEFFREY BUNN
Lisbon
GENE HEINRICH
Medina

DISTRICT 3
DOUG BICHLER
Linton
JON DEKREY
Tappen
JEREMY DOAN
Bismarck
DARRELL D. OSWALD
Wing

DISTRICT 4
JAMIE HAUGE
Carson
FRED HELBLING
Mandan
JONATHAN MAROHL
Solen
ROBERT TWEETEN
Hensler

DISTRICT 5
PAIGE BURIAN
Manning
WAYNE GERBIG
Amden
JASON LEISETH
Arnegard
WINTON WOLD
Watford City

DISTRICT 6
ROGER EFFERTZ
Granville
MARK GIEDD
Washburn
DENNIS JACOBSON
Wildrose
RANDY SCHMITT
Rugby



Background - The Outdoor Heritage Fund (OHF) was created by the legislature in 2013. The fund, capped at \$30 million per biennium, is governed by the Industrial Commission consisting of Governor Jack Dalrymple, Chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Doug Goehring. A 16-member advisory board (12 voting members) reviews applications from eligible organizations: nonprofits, state agencies, political subdivisions, and tribes; and makes grant funding recommendations.

Governor Dalrymple's Executive Budget proposes an increase in the funding level to \$50 million per biennium.

Directive A - Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

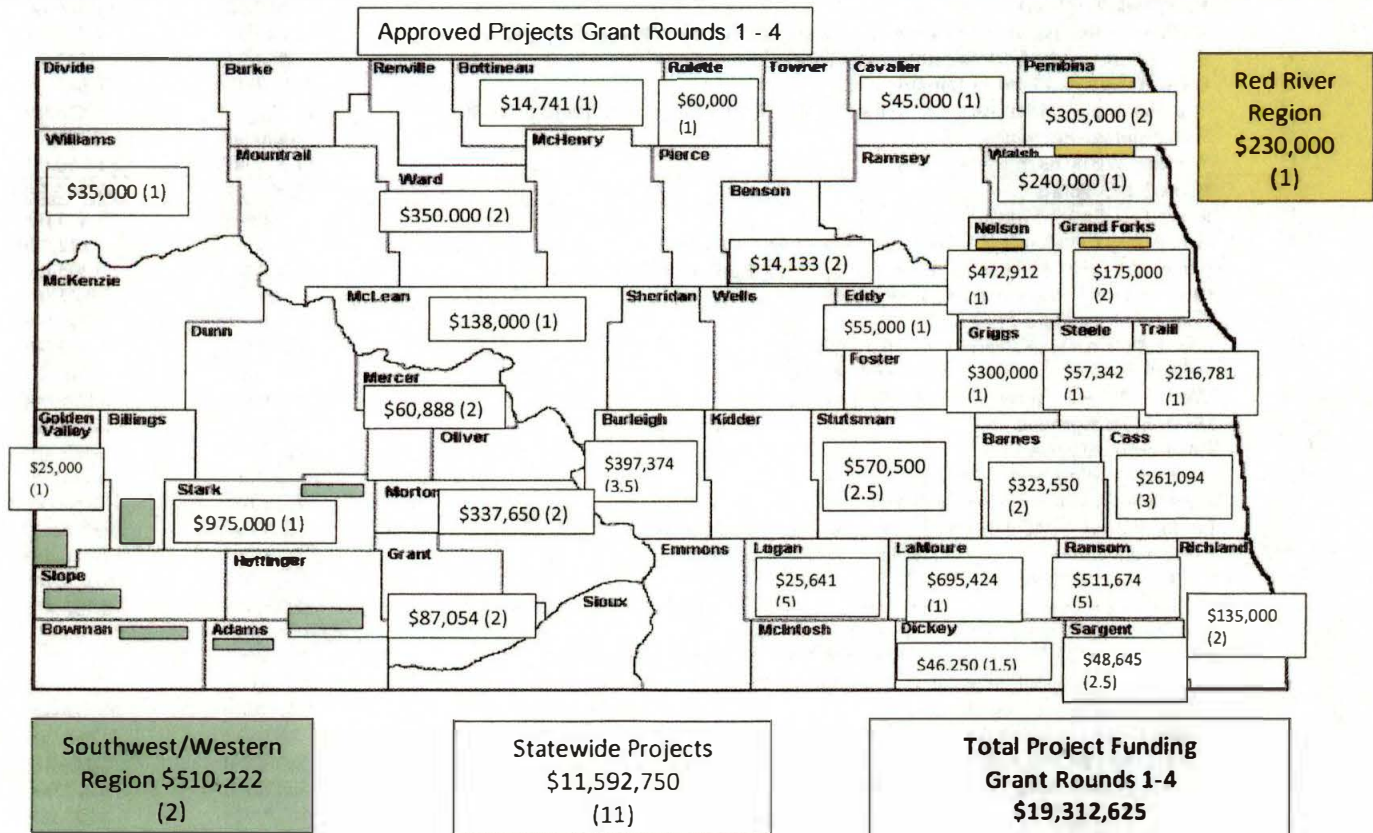
Directive B - Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems and to support other practices of stewardship to enhance farming and ranching;

Directive C - Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and

Directive D - Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Funding Guidelines

After the first grant round in January, 2014 and after consultation with legislators, the Industrial Commission based on a recommendation from the OHF Advisory Board stated that except for extenuating circumstances the Commission would not consider funding for projects already completed; projects that are on-going (phased projects would be considered); staffing; feasibility studies; annual maintenance; paving projects for roads and parking lots; swimming pools; non-permanent equipment (such as tractors, snowmobiles); research; and projects where the applicant is not directly involved in the project. A 25% match from the applicant was also strongly encouraged.



Directive	Title	Total Project Cost	IC Approved Funding
A	Blacktail Dam Association	\$105,100	\$35,000
A	Fingal Wildlife Club Dam Restoration	\$52,600	\$35,500
A	Fox Island Boat Ramp Bank Stabilization	\$299,122	\$215,374
A	Handicap Accessible Fishing Pier at Sheep Creek Dam	\$28,632	\$20,902
A	Mapping of Tribal Land for Sportsmen	\$8,568	\$8,568
A	ND Game & Fish Department Outdoor Heritage Habitat Initiative	\$2,733,000	\$1,900,000
A	North Dakota Pheasant Habitat Initiative	\$38,000,000	\$3,000,000
A	Pheasant Lake Fishing access/Shoreline Restoration Project	\$42,500	\$21,250
A	Prairie Project	\$842,300	\$300,000
A	TMBCI Sky Chief Park Fishing Pier Project	\$70,000	\$60,000
A	Western ND Habitat Enhancement Projects	\$719,900	\$480,900
Directive A Totals		\$42,901,722	\$6,077,494
B	Antelope Creek Wild Rice Corridor Watershed Restoration Project	\$977,000	\$105,000
B	Bald Hill Creek Watershed Project	\$880,665	\$300,000
B	Enhanced Grazing Lands & Wildlife Habitat (Phase 1)	\$3,665,820	\$828,000
B	ND Statewide Conservation Tree Planting Initiative	\$4,875,033	\$1,878,000
B	North Dakota Pollinator Partnership	\$292,879	\$173,750
B	Ransom County Water Quality Improvement Project	\$1,600,000	\$115,000
B	Red River Riparian Project	\$568,394	\$230,000
B	Riparian Grazing Systems Project	\$422,500	\$253,500
B	Sheyenne River Sedimentation Reduction Project	\$957,000	\$126,000
B	Stutsman County Manure Management Project	\$2,900,000	\$300,000
B	The Marcus Friskop Nature Center	\$378,960	\$30,000
B	Turtle Creek Watershed Project Water & Habitat Initiative	\$1,263,072	\$138,000
B	Wild Rice River Restoration & Riparian Project Phase II	\$33,125	\$9,937
Directive B Totals		\$18,814,448	\$4,487,187
C	Aquatic Habitat Infrastructure Enhancement	\$934,218	\$322,000
C	Artificial Nesting Habitat Improvement	\$5,565	\$5,565
C	Bismarck PF Habitat Enhancement	\$100,000	\$60,000
C	Brown Ranch Habitat Enhancement through Prescribed Grazing	\$24,255	\$16,000
C	Conservation of Grasslands and Long-billed Curlews on Private Lands in SW ND	\$213,930	\$29,322
C	Lake Tschida's Wildlife Conservation Planting, Recreation Project Walking Trail, Bird Observatory and Playground Rest Area	\$92,969	\$66,152
C	LSC 20,000 Trees by 2020	\$181,000	\$50,000
C	Natural Resource Stewardship in North Dakota's Parks, Preserves & Natural Areas	\$645,987	\$129,000
C	ND Hen House Project I	\$65,030	\$34,000
C	North Dakota Waterbank Program	\$1,600,000	\$1,200,000
C	Sheyenne River Bank Stability Restoration Project - Phase I Bjornson Golf Course	\$1,245,917	\$197,550
C	South Golden Lake Inlet Beautification Project	\$74,342	\$57,342
C	Urban Woods and Prairies Initiative	\$148,789	\$82,218
C	Warwick Dam - Modification & Rehabilitation (Water Commission Project # 0240)	\$272,152	\$55,000
C	Water Storage Piggyback	\$400,000	\$300,000
C	Working Wetlands in North Dakota	\$4,950,000	\$1,750,000
Directive C Totals		\$10,954,154	\$4,354,149
D	Beach City Park Northside Playground	\$60,000	\$25,000
D	Beulah Bay Campground Expansion & Conservation Project	\$74,212	\$42,120
D	Centennial Park Woodland Trail and Souris River Recreational Access Plan	\$634,000	\$305,000
D	City of Munich Playground Equipment Fund	\$109,329	\$45,000
D	Community Outdoor Fitness Park	\$466,492	\$45,000
D	Crooked Crane Trail Exercise & Fitness Loop	\$1,300,000	\$975,000
D	Dead Colt Creek Recreational Playground Project	\$60,232	\$45,174
D	Downtown River Access for Grand Forks Greenway	\$100,000	\$75,000
D	Drayton Campground	\$453,033	\$125,000
D	Drayton Campground	\$463,378	\$180,000
D	Graner Park Bank Stabilization	\$250,200	\$187,650
D	Harmon Lake Campground Expansion	\$200,000	\$150,000
D	LaMoure County Memorial Park Streambank Restoration Project	\$971,946	\$695,424
D	Norsemen Outdoor Education Center	\$303,281	\$216,781
D	North Dakota 4-H Camp	\$23,673	\$18,768
D	Northern Cass Pass	\$185,171	\$138,876
D	Park River Parks & Recreation - Phase 1 Campground	\$1,460,027	\$240,000
D	Public Use Fishing Docks at Lake Metigoshe and Beaver Lake State Parks	\$53,842	\$40,382
D	Ryan Lake Fishing and Recreation Development Project	\$290,005	\$100,000
D	Sandhills Archery Club Landscaping	\$82,550	\$40,000
D	Sargent County Silver Lake Park "Playplaces & Gathering Spaces" Renovations Project	\$54,832	\$13,708
D	Stump Lake Park Bank Restoration	\$630,550	\$472,912
D	Trail Restoration & Improvement Program	\$242,629	\$112,000
D	Trailhead / Neighborhood Park	\$627,920	\$105,000
Directive D Totals		\$9,097,302	\$4,393,795
Grand Total		\$81,767,626	\$19,312,625

Wade Moser

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1409
1/30/15

Outdoor Heritage Fund Advisory Board Membership

North Dakota Farm Bureau - 6/30/2018

Mr. Eric Aasmundstad
110 Palmer Road
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701-351-2612
eric@ndfb.org

Conservation at-large - 6/30/2016

Dr. Carolyn Godfread
216 West Avenue F
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North Dakota Petroleum Council - 6/30/2017

Mr. Blaine Hoffman
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ND Farmers Union - 6/30/2016

Mr. Robert Kuylen
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ND Stockmen's Association - 6/30/2017

Mr. Wade Moser
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Pheasants Forever - 6/30/2016

Ms. Patricia Stockdill
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Ex-officio:

Mr. Larry Kotchman, State Forester
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Ms. Rhonda Vetsch
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Revised 8/1/2014

ND Recreation and Parks Association - 6/30/2018

Mr. Randy Bina
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Greater North Dakota Chamber - 6/30/2015

Mr. Jon Godfread
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Ducks Unlimited - 6/30/2018

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Lignite Energy Council - 6/30/2015

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Conservation at-large - 6/30/2017

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ND Grain Growers Association - 6/30/2015

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Mr. Terry Steinwand, Director
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Mr. Mark Zimmerman, Director
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#3



Testimony of Jon Godfread
Greater North Dakota Chamber of Commerce
HB 1409
January 30, 2015

Mr. Chairman and members of the committee, my name is Jon Godfread, I am the Vice President of Government Affairs at the Greater North Dakota Chamber, the champions for business in North Dakota. GNDC is working on behalf of our more than 1,100 members, to build the strongest business environment in North Dakota. GNDC also represents the National Association of Manufacturers and works closely with the U.S. Chamber of Commerce. As a group we support HB 1409.

Having just come off the statewide discussion surrounding Measure 5, we believe we are in a position to provide some more comments and support for the Outdoor Heritage Fund. North Dakotans overwhelmingly defeated Measure 5 this past election, which would have created a constitutional conservation fund. It remains our belief that the Outdoor Heritage Fund is the better solution, and given the projects we have seen come forward we believe now is the time reinvest in outdoor recreation and habitat.

As an Outdoor Heritage Fund advisory board member, I have seen first-hand the projects that are being submitted for funding. The fund is working, the projects we are approving are having an impact, and we are learning as we go.

I am confident that with this bill and the changes it makes to some of the policy, as well as an additional investment from the state this fund is primed to really take off. When we started the grant rounds, initially we put very few limitations on what could apply for funding. With that we asked for everything and we got everything. We don't believe this fund should be used for research projects, maintenance costs, ongoing projects, etc. HB 1409 puts into code many of the policies we have been operating under.

As to the funding, we believe there are projects out there that have not come yet come to the Outdoor Heritage Fund, many of the smaller sportsman and wildlife groups have struggled to put together a proposal, with the changes in this bill, and the generosity of the North Dakota Petroleum Council, who have hired a grant writer to assist any group looking to put together an application, we believe our grant requests should increase.

We have just scratched the surface of the potential for the Outdoor Heritage Fund, when North Dakotans rejected Measure 5, I believe part of that was because they support the Outdoor Heritage Fund. With this continued investment into this fund, no one will be able to say we aren't doing enough to protect our outdoors, to keep our wildlife thriving, and to provide opportunities for sportsmen and women young and old.

Thank you for allowing me to testify, we would support a DO PASS recommendation on HB 1409. I would now be happy to attempt to answer any questions.

Champions for Business

PO Box 2639 P: 701-222-0929
Bismarck, ND 58502 F: 701-222-1611

www.ndchamber.com

1409
1/30/15

#4

Chair and members, my name is Isis Stark and I am the Director of Government Relations of The Nature Conservancy for ND and two other states. Thank you for the opportunity to speak to you today.

The Nature Conservancy is a nonprofit, charitable, science based organization that works on protecting lands and water. We were founded in 1951 and have been working in North Dakota since 1971.

In North Dakota, we were instrumental in the creation of Cross Ranch State Park by donating the land for the park to the state and we have partnered on many other projects throughout the state.

I would like to express the Conservancy's support for bill HB 1409, which supports the governor's budget proposal by increasing the Outdoor Heritage Fund by \$10 million a year.

We know that there is a great need for the increase in funds for conservation in North Dakota. Evidence of this is the great demand for the current Outdoor Heritage Fund which generated \$61 million in grant requests in the first year. To date, only about one third of these requests have been funded (\$14 million). These grant requests have come from all areas of the state and from more than 100 organizations.

We hope you will support this bill. Thank you for your time.

January 30, 2015

HB 1409

House Natural Resources Committee

Chairman Porter and Members of the Committee:

My name is Bob Kuylen and I'm the Vice President of North Dakota Farmers Union. We stand in favor of HB 1409.

Presently, I serve as the representative for North Dakota Farmers Union on the board of the Outdoor Heritage Fund. This is a board that is made up of broad interests, including agriculture, conservation, business, parks and recreation, and citizens. We are proud of our work on the board and the projects that we have funded. For example, the advisory board approved 16 projects totaling \$5.2 million in January, for a total of \$19.3 million during the biennium. These projects range from \$1.2 million for the North Dakota Department of Agriculture to provide funding for the State Waterbank Program, to \$975,000 to the city of Dickinson to create an exercise and fitness loop around Patterson Lake. We have demonstrated that this fund can work.

As a board member, I have appreciated the process that we have created to approve projects that come forth from approval. The bill provides some clarity on the types of projects that will be accepted, and will focus our work.

I can take any questions that you may have.

NDRPA

North Dakota Recreation & Park Association •

advancing parks and recreation for quality of life in North Dakota

#6



1409
1/30/15

**Testimony of Ron Merritt, Public Policy Chair
North Dakota Recreation & Park Association
To House Energy & Natural Resources Committee
In Support of HB 1409
Friday, January 30, 2015**

Chairman Porter and Members of the Committee, my name is Ron Merritt, and I am director of the Minot Park District and a board member of the North Dakota Recreation & Park Association (NDRPA). NDRPA represents park districts across the state and works to advance parks and recreation for an enhanced quality of life in North Dakota. We support the Outdoor Heritage Fund, as well as the \$20 million increase per biennium as outlined in House Bill 1409.

The outdoor experience in North Dakota is diverse and expansive, from hunting, fishing, and boating to hiking, biking, and swimming and so much more. NDRPA and its members are committed to ensuring affordable and accessible opportunities for outdoor recreation are available to all of the state's diverse population, as well as its visitors.

The need for additional funding in the Outdoor Heritage Fund is clear. According to the *2013-2017 North Dakota State Comprehensive Outdoor Recreation Plan*, 93 percent of North Dakota households feel non-consumptive outdoor recreation (excluding hunting and fishing) is important. In addition, 57 percent of outdoor recreation providers report demand for facilities and activities exceeds supply. The estimated unmet capital need by state's outdoor recreation providers through 2017 is more than \$102 million.

NDRPA supported the Outdoor Heritage Fund during the 2013 Legislative Session and worked with legislators and the coalition to help establish it. We believe the Fund's four directives provide a well-balanced approach to support conservation and outdoor recreation in all areas of North Dakota. Community parks serve as critical public places for recreation and civic engagement, essential to quality of life in communities. Parks help provide healthy places to exercise, manage stormwater runoff and help clean the air,

catalyze economic and community development, and provide safe, close-to-home recreation options. Parks play a critical role in preserving natural resources and providing places to recreate that have real economic benefits (more than \$800 million annually). Parks protect open space and connect children to nature.

NDRPA supports continuation of the Outdoor Heritage Fund in its existing format as we believe the current grant process works well. The Advisory Board reviews each project as submitted and determines funding based on its merit. NDRPA supports a continued open process of submissions for a variety of projects based on the needs determined by submitting entities. This process has proven successful, funding projects that provide a variety of outdoor recreation opportunities for the public in large communities and small towns across our state – from Dickinson and Minot to Beach and Munich. Therefore, we urge the Committee's consideration in amending page 2 of the bill by removing lines 16-19.

Park district-operated parks and recreation facilities are valuable community infrastructure funded primarily by local property taxes. According to data provided by the North Dakota Tax Department, approximately 84 percent of park districts levy less than \$50,000 per year. For example, the park district in Representative Devlin's community levied about \$35,000 in 2013 and in Representative Froseth's approximately \$31,000. To put this dollar amount in perspective, a basic playground installed correctly costs about \$50,000. It is also important to note that while federal funds through the Land and Water Conservation Fund (LWCF) have supported park projects for 50 years, available funds have significantly decreased and re-authorization of LWCF in 2015 is unlikely.

Therefore, the continued option of applying to the Outdoor Heritage Fund for support is essential. Community parks are often a child's first and sometimes only exposure to the outdoors. Help us ensure these spaces are safe for children and families by providing access to funding to enhance these places that build community, support physical activity and wellness, and conserve natural resources in municipal settings.

We support the Outdoor Heritage Fund and increasing it to \$50 million per biennium. We ask your consideration in ensuring that the Fund continues to provide support for a wide variety of conservation and outdoor recreation opportunities for people in all areas of North Dakota.

1409
1/30/15



#7

North Dakota Association of Rural Electric Cooperatives
3201 Nygren Drive NW • P.O. Box 727 • Mandan, ND 58554-0727

Phone: 701.663.6501 or 800.234.0518
Fax: 701.663.3745 • www.ndarec.com

HB 1409

Testimony of Dennis Hill, general manager
North Dakota Association of Rural Electric Cooperatives
Before the House Energy and Natural Resources Committee
Pioneer Room, Friday, Jan. 30, 2015

On behalf of the N.D. Association of RECs, I rise to support the funding provided for the Outdoor Heritage Fund that's contained in HB 1409.

Our membership consists of 16 local electric cooperatives and 5 generation and transmission cooperatives that provide electric power to more than a third of the state's population. Collectively, our members have invested more than \$1 billion in distribution assets and more than \$5 billion in generation and transmission plant to provide this electric power to our members.

During the debate last fall on Measure #5, our board voted to oppose the measure because of its mechanics, but supported the merits of the measure. A resolution approved by our board stated that we "oppose Measure #5 as an imperfect mechanism" to fund conservation and outdoor recreation projects and investments across the state. The resolution then went on to support the proposed enhancement plan put forth by Gov. Jack Dalrymple to raise funding for the Outdoor Heritage Fund to \$50 million per biennium, and to seek \$30 million this biennium for infrastructure improvements to our state's parks. We are supporting both of these initiatives this session.

North Dakota's electric cooperatives came into existence to improve the quality of life for rural residents who had long-suffered without the benefits of electric power.

#7

We have not forgotten these roots and this purpose, and continue to support initiatives—like the Outdoor Heritage Fund and the State Parks upgrades—that improve the quality of life for the members we serve.

We have also heard from the citizens of North Dakota that they too support conservation. A public opinion poll we conducted in January of 2014 came back with these results: When asked which was more important to them, economic development or environmental stewardship, 64 percent chose environmental stewardship over economic development (27 percent).

As electric cooperatives, we serve a growing base of members who live in rural subdivisions surrounding our state's major cities or within the city limits themselves. Drive through these areas and one will find the driveways and camper pads filled with boats, campers and SUVs. We know our members much enjoy the outdoor recreation experience, whether that's hunting, camping, fishing, hiking or boating.

The resources provided to the Outdoor Heritage Fund in HB 1049 will help improve the quality of life in North Dakota. We urge the committee to give this bill a "Do Pass" recommendation.

- Full text of the NDAREC board resolution: "The board of directors of NDAREC goes on record supporting the increased conservation funding of \$80 million for the 2015-2017 biennium contained in Governor Dalrymple's budget recommendation, and opposes Measure 5 as an imperfect mechanism to create and fund parks, wildlife and conservation programs."

January 30, 2015

8

1409
1/30/15

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE
HB 1409

CHAIRMAN PORTER AND MEMBERS OF THE COMMITTEE

For the record my name is Blake Crosby. I am the Executive Director of the North Dakota League of Cities representing the 357 cities across the State. We also have membership categories for North Dakota Chiefs of Police Association, North Dakota Fire Chiefs Association and North Dakota Recreation and Park Association. As of the end of 2014 we had 101 member Park Districts.

The League has been a supporter of the Outdoor Heritage Fund so we are here in support of HB 1409 and especially want to focus on city parks. In many of our smaller cities the city park is the central point for a variety of events such as family reunions, church functions, school reunions, school activities and the center of activity when cities are celebrating anniversaries on becoming incorporated. And, in many instances the city park is adjacent to the local school and used for recess activities in the lower grades.

One of the critical components of that city park is a playground. Taking a family reunion as an example, when Mom and Dad want to visit with adult family members they haven't seen for years or they want to start getting food out, they send the little kids to play on the playground equipment. Unfortunately, we find our cities in a dilemma. Those swing sets, climbing structures and slides have become very expensive, \$50,000 or more is not the exception. So we would respectfully ask the Committee to amend page 2 by deleting lines 16-19. We understand the "skin-in-the-game" concept but levies in the smaller communities can't even come close. Those small cities deserve a break.

On behalf of the North Dakota League of Cities, we ask for a Do-Pass as per our amendment.

THANK YOU FOR YOUR TIME AND CONSIDERATION. I will try to answer any questions.



#9

1409
1/30/15

Testimony of Carmen Miller, Director of Public Policy
Ducks Unlimited, Inc
Bismarck ND
Before the House Committee on Energy and Natural Resources
Representative Todd Porter, Chairman
House Bill 1409
January 30, 2015

Good morning, Mr. Chairman and members of the committee. My name is Carmen Miller and I am the Director of Public Policy for Duck's Unlimited's Great Plains Region in Bismarck. On behalf of Ducks Unlimited (DU) and our 7,400 members across the great state of North Dakota, I appreciate the opportunity to join many others here today in support of the proposed funding increase for the Outdoor Heritage Fund (OHF) outlined in HB 1409.

We'd also like to acknowledge and thank Governor Dalrymple and the North Dakota Legislature for their leadership and commitment to making greater investments in our state's treasured outdoors. Hunting, fishing, and outdoor recreation are part of who we are as North Dakotans and a major economic driver for our state generating \$1.4 billion of economic activity each year. These investments are vital to our state's economy and quality of life.

Today, we're at a critical crossroads as we continue to face many important challenges. Since 2007, we've lost nearly 2 million acres of Conservation Reserve Program (CRP) habitat acres, public access for our PLOTS program has declined by one-third, deer licenses are at their lowest level in 34 years and the annual pheasant harvest has plummeted nearly 50 percent. Fortunately, we're at a time and place in our state's history to address these important challenges and turn these trends around.

Ducks Unlimited opened its regional headquarters in Bismarck in 1984 and over the past 30 years we've invested more than \$85 million in North Dakota working hand and hand with private landowners and other partners delivering voluntary incentive-based conservation programs. The OHF provides a real and exciting opportunity to build strong public-private partnerships, significantly leverage other partner resources and provide great benefits and resources for our farmers, ranchers, sportsmen and other outdoor enthusiasts across the state.

The OHF continues to be a very popular and broadly supported program. In fact, more than 100 different groups from all corners of the state have applied for OHF grants requesting \$62 million or over twice the current authorized funding level of \$30 million a biennium. This broad interest includes proposals from cities, counties, schools, tribes, local park boards, state agencies and many other non-profit organizations. These partners have also provided significant matching funds at a ratio of \$4 to \$1. Thanks to the OHF advisory board and Industrial Commission, several great projects have been funded (\$19.3 million or 31% of the total requests), yet many others have come up short due to limited resources (See *"Investing in North Dakota's Outdoor Heritage"* handout).

Greater investments in the OHF will help address these important needs, provide great benefits to our communities and landowners across the state, and generate a significant return on investment back to our state's economy. Thank you for your time and commitment to our state's treasured outdoor traditions and future generations.

INVESTING IN NORTH DAKOTA'S OUTDOOR HERITAGE

Background

The Outdoor Heritage Fund (OHF) was created by the legislature in 2013. The fund, capped at \$30 million per biennium, is governed by the Industrial Commission. A 12-member advisory board reviews applications from eligible organizations: nonprofits, state agencies, political subdivisions, and tribes; and makes grant funding recommendations.



Purpose

The fund aims to increase public access for sportsmen, provide voluntary incentives to farmers and ranchers for land and water stewardship, enhance parks, conserve natural areas for recreation, and maintain healthy wildlife and fish populations.

Broad Support & Unmet Needs

- Over 100 different groups have applied for grants and 70% of requests have gone unfunded (Fig. 1)
- Private/Public Partnership: Partners have matched OHF funds more than \$4 to \$1
- Important Needs: Funding requests have been submitted by cities, counties, schools, tribes, park and recreation districts, conservation and other non-profit groups across North Dakota (Fig. 2; backside)

Table 1.

Round	Grant Requests	Total Requested Project Costs	Grants Awarded	Unfunded Requests
1	\$34.6 million	\$62.6 million	\$5.8 million	\$28.8 million
2	\$6.8 million	\$13.2 million	\$2.5 million	\$4.3 million
3	\$13.0 million	\$55.2 million	\$5.8 million	\$7.2 million
4	\$7.4 million	\$11.8 million	\$5.2 million	\$ 2.2 million
Total:	\$62.0 million	\$142.9 million	\$19.3 million	\$42.6 million

Our Legacy

Impacts on ND's Economy

- Hunting and fishing generate \$1.4 billion in economic activity each year
- Investments in parks provide a \$9 to \$1 economic return through local investments and jobs

Habitat Challenges

- Roughly 2 million CRP acres have expired since 2007
- PLOTS acreage is down one-third since 2008 (>386,000 acres) reducing access for sportsmen
- Deer licenses issued are the lowest in 34 years and pheasant harvest has declined nearly 50% (~460,000 birds annually) since 2007

Public Supports Increased Investment

- 61% of North Dakotans believe more should be done to protect the state's land, water, and wildlife
- More than half of ND outdoor recreation providers reported public demand exceeded supply of opportunities in 2012

Data Source: NDIC – Outdoor Heritage Fund - www.nd.gov/ndic/outdoor-info/page.htm

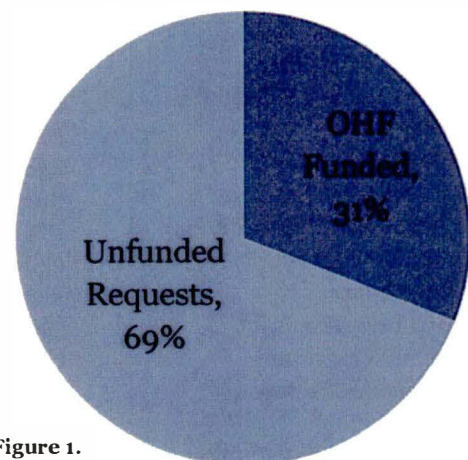


Figure 1.

INVESTING IN NORTH DAKOTA'S OUTDOOR HERITAGE

Grant Applicants

Nonprofits

American Bird Conservancy
Audubon Dakota
*Bismarck Rotary Club
Blacktail Dam Association
*Carrington CrossRoads Golf Course
*Cliffs Subdivision
Delta Waterfowl
*Devils Lake Chamber of Commerce
Ducks Unlimited, Inc.
Fingal Wildlife Club
*Fort Abraham Lincoln Foundation
*Golden Ridge Lutheran Church
*Green Acres Property Owners' Association
*Heart & Lung Clinic Foundation
*Little Missouri Grazing Association
Ludden Sportsmen Club
*Maah Daah Hey Trail Association
*Menoken 4-H Picnic Park Mutual Aid Corporation Board of Directors
Minot Family YMCA
*Minot Indoor Rodeo, Inc.
Minot Park District Foundation
Mule Deer Foundation
ND 4-H Foundation
ND Association of SCDs
*ND Grazing Lands Coalition
ND Natural Resources Trust
*New Rockford Area Betterment Corporation
Norsemen Archers, Inc.
*Northern Plains Resource Conservation and Development Council
*Northwood Hockey Boosters
Pheasants Forever Dakota Chapter, Bismarck
Pheasants Forever, Inc.
*Pheasants Forever: Sakakawea Chapter #335
*River Keepers
Sandhills Archery Club
*Save The Hens Foundation, Inc.
*Sleepy Hollow Arts Park
*Sporting Chance
*The Minot Retriever Club
The Nature Conservancy
*The Outdoor Adventure Foundation Inc.
*United Prairie Foundation Inc

Political Subdivisions

Barnes County SCD
Beach City Park Board
Beulah Park District
*Beulah Public School District #27
Bismarck Parks and Recreation District
*Bowman County Weed Board
*Burleigh County Water Resources District
*Casselton Park District
*Cavalier County Water Resource District
*City of Beulah and Coal Country Community Health Center
City of Dickinson
City of Grand Forks
*City of LaMoure
*City of Munich
City of Munich - City Park
*City of Valley City
*City of Washburn
Dickey County Park Board
Drayton Park Board
Eddy County Water District
Golden Lake Improvement Association
Grand Forks Park District
*Grant County SCD
Grant County Water Resource District
Griggs County Soil Conservation District
*Hankinson Park District
Hankinson Public School
Hunter/Arthur JPA Park Board
LaMoure County SCD
*Logan County JDA
Minot Park District Foundation
Morton County Parks
Morton County Water Resource District
*Mott Park District
Nelson County Park Board
Park River Parks and Recreation
Ransom County SCD
Ransom County Water Resource District
Red River Regional Council
Richland Soil Conservation District
Sargent County Park Board & Commissioners
South McLean County Soil Conservation District

*Spring Creek Watershed, Mercer County SCDs
Stutsman County Soil Conservation District
*Tioga Park District
Tri-Cities Joint JDA
*Tri-Cities joint JDA at Lake Tschida
Valley City Parks and Recreation Department
*Ward County Park Board
*Watford City Park Board
Wild Rice Soil Conservation District
*Williams County Water Resource District

State Agencies

*ND Barley Council
ND Dept. Agriculture
*ND Forest Service
ND Game & Fish Department
ND Parks & Recreation Department
*ND Parks and Recreation Department & Lewis & Clark Fort Mandan Foundation
North Dakota State University
University of North Dakota
Valley City State University

Tribes

Spirit Lake Nation Fish and Wildlife Department
Turtle Mountain Band of Chippewa Indians (TMBCI)

Number of Proposals by Group

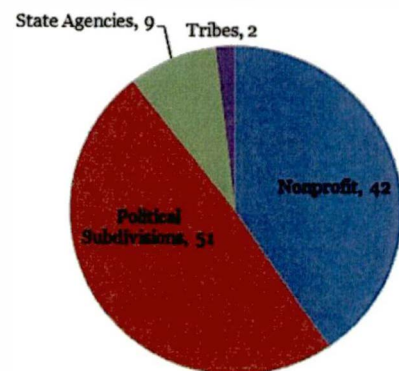


Figure 2. 151 proposals from 104 groups.

*Did not receive funding

#10



Testimony

Kelvin Hullet, President

Bismarck-Mandan Chamber

HB 1409

Mr. Chairman and members of the Committee:

I am Kelvin Hullet, President of the Bismarck-Mandan Chamber. I am here today in support of HB 1409 and urge your committee to give it a Do-Pass recommendation. As we look across the landscape of North Dakota today, we all know it is changing. As a business organization, we welcome the prosperity it brings to our state: jobs, infrastructure, new residents and wealth creation are essential to a thriving economy.

However, we also realize the changes occurring in the state require our relationship to conservation issues to evolve and ensure a fundamental value of our state is not only preserved but enhanced. During the last session, organizations from agriculture, business, energy, and recreation came together to support the formation of the Outdoor Heritage Fund. It is our answer to the question is how to balance the economic activities with recreational and conservation needs. As we all know, the conservation groups chose a different avenue and pursued Measure 5.

Today, our organization continues to believe the Outdoor Heritage Fund is the right answer. It provides a way to provide access for sportsmen; creates an opportunity to work with the agriculture community; enhances habitat on public and private land and provides for the conservation of natural areas. We continue to believe the board structure of the Outdoor Heritage Fund representing agriculture, conservation, business, energy and recreation best represents the interests of North Dakota.

Over the last biennium, we watched with keen interest the operation of the board, the projects brought forward and the awards granted. As an original participant in the discussions, the fund is operating as envisioned. In the formation stages with the various organizations, we always felt the intent was to utilize the fund for projects on the ground as opposed to research or staffing. The proposed changes in HB1409 address that intent but allow for exceptional circumstances.

One issue of discussion among the Outdoor Heritage Fund Board and for legislators is the appropriate role of the fund for playgrounds and parks. We want to provide input on that discussion. While it was never envisioned to be a large majority of the grants, there was considerable discussion about playgrounds as the OHF was developed. In the original discussions, there was support for funding playground equipment if it was part of a comprehensive renovation or establishment of a park in a community. However, swimming pools, baseball diamonds and hockey rinks did not enter into the discussion.

The proposed policy changes encompassed in HB1409 help to clarify intent and better define the role of the Outdoor Heritage Fund. Our hope is these changes will assist larger organizations in bringing forward substantial projects that enhance the state. We are also hopeful that the North Dakota Petroleum Council's generous offer of assisting with grant writing for small organizations will stimulate many smaller projects around North Dakota. When combined with the proposed increase in funding, there is a strong case that this Governor and Legislature are doing their part to ensure the future of North Dakota's outdoors.

#11



House Energy and Natural Resources Committee
Testimony on HB 1409

North Dakota Game and Fish Department
Terry Steinwand, Director

January 30, 2015

Chairman Porter and members of the House Energy and Natural Resources Committee, my name is Terry Steinwand, Director of the North Dakota Game and Fish Department. I am testifying today in support of HB 1409.

We support the concept of the Outdoor Heritage Fund and the proposed increased funding. Numerous conservation projects have been submitted in the short time the fund has been in effect. And as groups become more familiar with the funding process and as policies are clarified I expect more applications will be submitted.

The Game and Fish Department has been able to augment what we've been able to deliver for on the ground projects through two Outdoor Heritage Fund grants. The funding has primarily put habitat on the ground for upland game, big game and non-game species. We've used our PLOTS budget to provide match in the form of access and partnered with other entities. We have developed a 10 year Pheasant Habitat Initiative that provides acreage goals of different habitat types in the 24 county area that historically provides the best pheasant habitat. Because of the Outdoor Heritage Fund and working with federal farm bill programs, we'll be able to begin implementing a program in June, 2015 that will get us 25% of the way to the grassland goal. Other projects, such as the tree planting initiative by the Ludden Sportsman's Club and another by the North Dakota Association of Soil Conservation Districts will help us achieve the shrub planting goals. We are also in the process of developing a model that will aid us to determine habitat amount and types needed across the state to increase our white tailed deer herd to levels more acceptable to the hunting public.

An increase in funding should provide more of these projects with our partners and help smaller, local scale, projects to occur. There is a continued conservation need on the landscape of North Dakota and the Outdoor Heritage Fund can facilitate meeting that need.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1409

Page 3, line 4, after "funds" insert "unless the legislative assembly authorizes the use of state general fund money as matching funds"

Page 3, line 7, after "grantee" insert "if the grant exceeds two hundred fifty thousand dollars and expenditures may not exceed ten percent of the grant to a grantee if the grant is two hundred fifty thousand dollars or less"

Page 4, line 1, after "four" insert "eight"

Page 4, line 1, remove the overstrike over "~~percent of the amount available under this subsection~~"

Page 4, line 1, remove "revenues"

Page 4, line 3, replace "twenty-five" with "twenty"

Page 4, line 4, replace "fifty" with "forty"

Page 8, line 3, after "four" insert "eight"

Page 8, line 3, remove the overstrike over "~~percent of the amount available under this subsection~~"

Page 8, line 3, remove "revenues"

Page 8, line 5, replace "twenty-five" with "twenty"

Page 8, line 6, replace "fifty" with "forty"

Renumber accordingly



Background - The Outdoor Heritage Fund (OHF) was created by the legislature in 2013. The fund, capped at \$30 million per biennium, is governed by the Industrial Commission consisting of Governor Jack Dalrymple, Chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Doug Goehring. A 16-member advisory board (12 voting members) reviews applications from eligible organizations: nonprofits, state agencies, political subdivisions, and tribes; and makes grant funding recommendations.

Governor Dalrymple's Executive Budget proposes an increase in the funding level to \$50 million per biennium.

Directive A - Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B - Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems and to support other practices of stewardship to enhance farming and ranching;

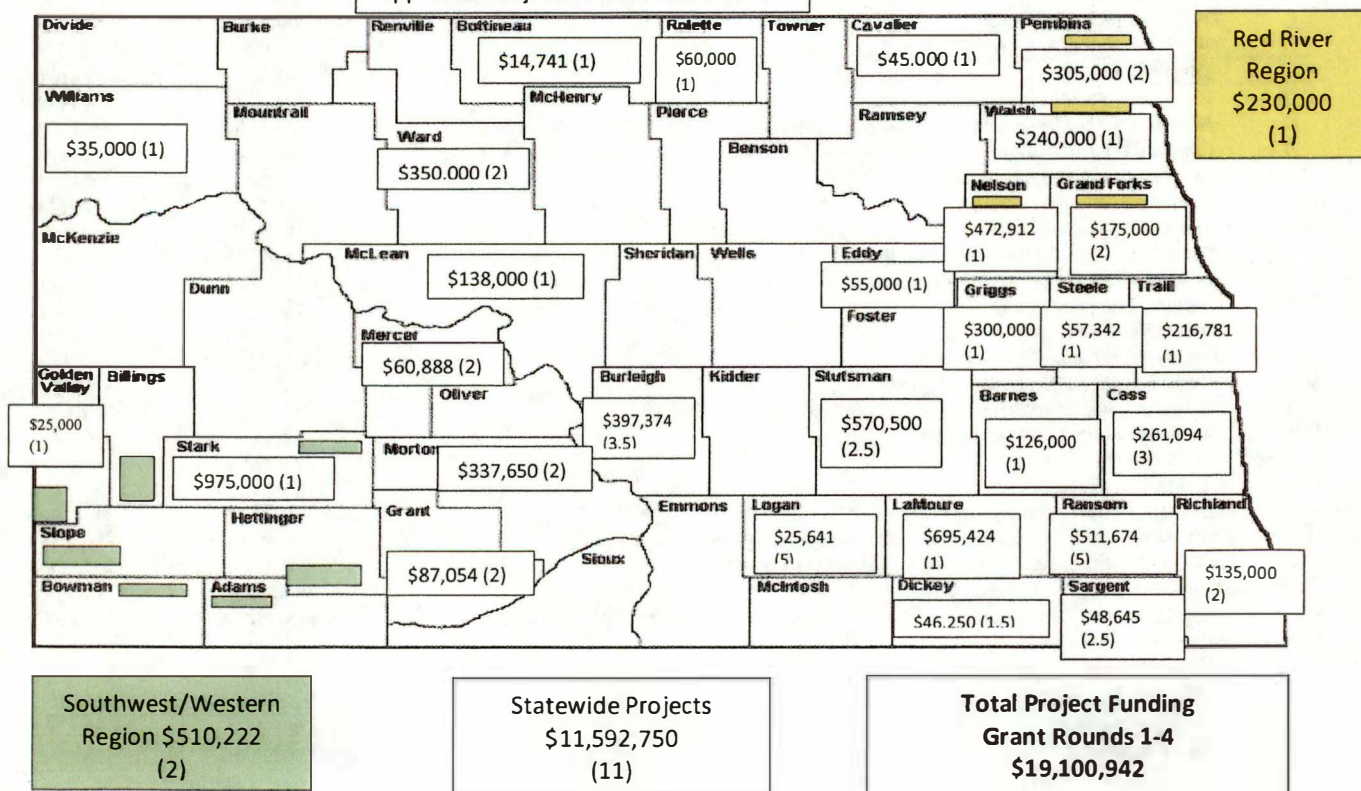
Directive C - Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and

Directive D - Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Funding Guidelines

After the first grant round in January, 2014 and after consultation with legislators, the Industrial Commission based on a recommendation from the OHF Advisory Board stated that except for extenuating circumstances the Commission would not consider funding for projects already completed; projects that are on-going (phased projects would be considered); staffing; feasibility studies; annual maintenance; paving projects for roads and parking lots; swimming pools; non-permanent equipment (such as tractors, snowmobiles); research; and projects where the applicant is not directly involved in the project. A 25% match from the applicant was also strongly encouraged.

Approved Projects Grant Rounds 1 - 4



Directive	Title	Total Project Cost	IC Approved Funding
A	Blacktail Dam Association	\$105,100	\$35,000
A	Fingal Wildlife Club Dam Restoration	\$52,600	\$35,500
A	Fox Island Boat Ramp Bank Stabilization	\$299,122	\$215,374
A	Handicap Accessible Fishing Pier at Sheep Creek Dam	\$28,632	\$20,902
A	ND Game & Fish Department Outdoor Heritage Habitat Initiative	\$2,733,000	\$1,900,000
A	North Dakota Pheasant Habitat Initiative	\$38,000,000	\$3,000,000
A	Pheasant Lake Fishing access/Shoreline Restoration Project	\$42,500	\$21,250
A	Prairie Project	\$842,300	\$300,000
A	TMBCI Sky Chief Park Fishing Pier Project	\$70,000	\$60,000
A	Western ND Habitat Enhancement Projects	\$719,900	\$480,900
Directive A Totals		\$42,893,154	\$6,068,926
B	Antelope Creek Wild Rice Corridor Watershed Restoration Project	\$977,000	\$105,000
B	Bald Hill Creek Watershed Project	\$880,665	\$300,000
B	Enhanced Grazing Lands & Wildlife Habitat (Phase 1)	\$3,665,820	\$828,000
B	ND Statewide Conservation Tree Planting Initiative	\$4,875,033	\$1,878,000
B	North Dakota Pollinator Partnership	\$292,879	\$173,750
B	Ransom County Water Quality Improvement Project	\$1,600,000	\$115,000
B	Red River Riparian Project	\$568,394	\$230,000
B	Riparian Grazing Systems Project	\$422,500	\$253,500
B	Sheyenne River Sedimentation Reduction Project	\$957,000	\$126,000
B	Stutsman County Manure Management Project	\$2,900,000	\$300,000
B	The Marcus Friskop Nature Center	\$378,960	\$30,000
B	Turtle Creek Watershed Project Water & Habitat Initiative	\$1,263,072	\$138,000
B	Wild Rice River Restoration & Riparian Project Phase II	\$33,125	\$9,937
Directive B Totals		\$18,814,448	\$4,487,187
C	Aquatic Habitat Infrastructure Enhancement	\$934,218	\$322,000
C	Bismarck PF Habitat Enhancement	\$100,000	\$60,000
C	Brown Ranch Habitat Enhancement through Prescribed Grazing	\$24,255	\$16,000
C	Conservation of Grasslands and Long-billed Curlews on Private Lands in SW ND	\$213,930	\$29,322
C	Lake Tschida's Wildlife Conservation Planting, Recreation Project Walking Trail, Bird Observatory and Playground Rest Area	\$92,969	\$66,152
C	LSC 20,000 Trees by 2020	\$181,000	\$50,000
C	Natural Resource Stewardship in North Dakota's Parks, Preserves & Natural Areas	\$645,987	\$129,000
C	ND Hen House Project I	\$65,030	\$34,000
C	North Dakota Waterbank Program	\$1,600,000	\$1,200,000
C	South Golden Lake Inlet Beautification Project	\$74,342	\$57,342
C	Urban Woods and Prairies Initiative	\$148,789	\$82,218
C	Warwick Dam - Modification & Rehabilitation (Water Commission Project # 0240)	\$272,152	\$55,000
C	Water Storage Piggyback	\$400,000	\$300,000
C	Working Wetlands in North Dakota	\$4,950,000	\$1,750,000
Directive C Totals		\$9,702,672	\$4,151,034
D	Beach City Park Northside Playground	\$60,000	\$25,000
D	Beulah Bay Campground Expansion & Conservation Project	\$74,212	\$42,120
D	Centennial Park Woodland Trail and Souris River Recreational Access Plan	\$634,000	\$305,000
D	City of Munich Playground Equipment Fund	\$109,329	\$45,000
D	Community Outdoor Fitness Park	\$466,492	\$45,000
D	Crooked Crane Trail Exercise & Fitness Loop	\$1,300,000	\$975,000
D	Dead Colt Creek Recreational Playground Project	\$60,232	\$45,174
D	Downtown River Access for Grand Forks Greenway	\$100,000	\$75,000
D	Drayton Campground	\$453,033	\$125,000
D	Drayton Campground	\$463,378	\$180,000
D	Graner Park Bank Stabilization	\$250,200	\$187,650
D	Harmon Lake Campground Expansion	\$200,000	\$150,000
D	LaMoure County Memorial Park Streambank Restoration Project	\$971,946	\$695,424
D	Norsemen Outdoor Education Center	\$303,281	\$216,781
D	North Dakota 4-H Camp	\$23,673	\$18,768
D	Northern Cass Pass	\$185,171	\$138,876
D	Park River Parks & Recreation - Phase I Campground	\$1,460,027	\$240,000
D	Public Use Fishing Docks at Lake Metigoshe and Beaver Lake State Parks	\$53,842	\$40,382
D	Ryan Lake Fishing and Recreation Development Project	\$290,005	\$100,000
D	Sandhills Archery Club Landscaping	\$82,550	\$40,000
D	Sargent County Silver Lake Park "Playplaces & Gathering Spaces" Renovations Project	\$54,832	\$13,708
D	Stump Lake Park Bank Restoration	\$630,550	\$472,912
D	Trail Restoration & Improvement Program	\$242,629	\$112,000
D	Trailhead / Neighborhood Park	\$627,920	\$105,000
Directive D Totals		\$9,097,302	\$4,393,795
Grand Total		\$80,507,576	\$19,100,942

Testimony of Jon Godfread
Greater North Dakota Chamber of Commerce
HB 1409
March 12, 2015

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Mr. Chairman and members of the committee, my name is Jon Godfread, I am the Vice President of Government Affairs at the Greater North Dakota Chamber, the champions for business in North Dakota. GNDC is working on behalf of our more than 1,100 members, to build the strongest business environment in North Dakota. GNDC also represents the National Association of Manufacturers and works closely with the U.S. Chamber of Commerce. As a group we support HB 1409.

Having just come off the statewide discussion surrounding Measure 5, we believe we are in a position to provide some more comments and support for the Outdoor Heritage Fund. North Dakotans overwhelmingly defeated Measure 5 this past election, which would have created a constitutional conservation fund. It remains our belief that the Outdoor Heritage Fund is the better solution, and given the projects we have seen come forward we believe now is the time reinvest in outdoor recreation and habitat.

As an Outdoor Heritage Fund advisory board member, I have seen first-hand the projects that are being submitted for funding. The fund is working, the projects we are approving are having an impact, and we are learning as we go.

I am confident that with this bill and the changes it makes to some of the policy, as well as an additional investment from the state this fund is primed to really take off. When we started the grant rounds, initially we put very few limitations on what could apply for funding. With that we asked for everything and we got everything. We don't believe this fund should be used for research projects, maintenance costs, ongoing projects, etc. HB 1409 puts into code many of the policies we have been operating under.

As to the funding, we believe there are projects out there that have not come yet come to the Outdoor Heritage Fund, many of the smaller sportsman and wildlife groups have struggled to put together a proposal, with the changes in this bill, and the generosity of the North Dakota Petroleum Council, who have hired a grant writer to assist any group looking to put together an application, we believe our grant requests should increase.

We have just scratched the surface of the potential for the Outdoor Heritage Fund, when North Dakotans rejected Measure 5; I believe part of that was because they support the Outdoor Heritage Fund. With this continued investment into this fund, no one will be able to say we aren't doing enough to protect our outdoors, to keep our wildlife thriving, and to provide opportunities for sportsmen and women young and old.

Thank you for allowing me to testify, we would support a DO PASS recommendation on HB 1409. I would now be happy to attempt to answer any questions.



Testimony
Kevin Strege, Representing
Bismarck-Mandan Chamber
HB 1409

3-13-15
3.1

Mr. Chairman and members of the Committee:

I am Kevin Strege representing the Bismarck-Mandan Chamber. I am here today in support of HB 1409 and urge your committee to give it a Do-Pass recommendation. As we look across the landscape of North Dakota today, we all know it is changing. As a business organization, we welcome the prosperity it brings to our state: jobs, infrastructure, new residents and wealth creation are essential to a thriving economy.

However, we also realize the changes occurring in the state require our relationship to conservation issues to evolve and ensure a fundamental value of our state is not only preserved but enhanced. During the last session, organizations from agriculture, business, energy, and recreation came together to support the formation of the Outdoor Heritage Fund. It is our answer to the question is how to balance the economic activities with recreational and conservation needs. As we all know, the conservation groups chose a different avenue and pursued Measure 5.

Today, our organization continues to believe the Outdoor Heritage Fund is the right answer. It provides a way to provide access for sportsmen; creates an opportunity to work with the agriculture community; enhances habitat on public and private land and provides for the conservation of natural areas. We continue to believe the board structure of the Outdoor Heritage Fund representing agriculture, conservation, business, energy and recreation best represents the interests of North Dakota.

Over the last biennium, we watched with keen interest the operation of the board, the projects brought forward and the awards granted. As an original participant in the discussions, the fund is operating as envisioned. In the formation stages with the various organizations, we always felt the intent was to utilize the fund for projects on the ground as opposed to research or staffing. The proposed changes in HB1409 address that intent but allow for exceptional circumstances.

One issue of discussion among the Outdoor Heritage Fund Board and for legislators is the appropriate role of the fund for playgrounds and parks. We want to provide input on that discussion. While it was never envisioned to be a large majority of the grants, there was considerable discussion about playgrounds as the OHF was developed. In the original discussions, there was support for funding playground equipment if it was part of a comprehensive renovation or establishment of a park in a community. However, swimming pools, baseball diamonds and hockey rinks did not enter into the discussion.

The proposed policy changes encompassed in HB1409 help to clarify intent and better define the role of the Outdoor Heritage Fund. Our hope is these changes will assist larger organizations in bringing forward substantial projects that enhance the state. We are also hopeful that the North Dakota Petroleum Council's generous offer of assisting with grant writing for small organizations will stimulate many smaller projects around North Dakota. When combined with the proposed increase in funding, there is a strong case that this Governor and Legislature are doing their part to ensure the future of North Dakota's outdoors.

Mr. Chairman and members of the committee, we ask you to pass HB1409 to the full Senate with a Do-Pass Recommendation.



Senate Energy and Natural Resources Committee
Testimony on HB 1409

3-13-15
4.1

North Dakota Game and Fish Department
Terry Steinwand, Director

March 12, 2015

Chairman Schaible and members of the Senate Energy and Natural Resources Committee, my name is Terry Steinwand, Director of the North Dakota Game and Fish Department. I am testifying today in support of HB 1409.

We support the concept of the Outdoor Heritage Fund and the proposed increased funding. Numerous conservation projects have been submitted in the short time the fund has been in effect. And as groups become more familiar with the funding process and as policies are clarified I expect more applications will be submitted.

The Game and Fish Department has been able to augment what we've been able to deliver for on the ground projects through two Outdoor Heritage Fund grants. The funding has primarily put habitat on the ground for upland game, big game and non-game species. We've used our PLOTS budget to provide match in the form of access and partnered with other entities. We have developed a 10 year Pheasant Habitat Initiative that provides acreage goals of different habitat types in the 24 county area that historically provides the best pheasant habitat. Because of the Outdoor Heritage Fund and working with federal farm bill programs, we'll be able to begin implementing a program in June, 2015 that will get us 25% of the way to the grassland goal. Other projects, such as the tree planting initiative by the Ludden Sportsman's Club and another by the North Dakota Association of Soil Conservation Districts will help us achieve the shrub planting goals. We are also in the process of developing a model that will aid us to determine habitat amount and types needed across the state to increase our white tailed deer herd to levels more acceptable to the hunting public.

There is a continued conservation need on the landscape of North Dakota and the Outdoor Heritage Fund can facilitate meeting that need.

I want to point out that the bill was amended in the House to reduce the authorized funding from \$25 million annually and \$50 million biennially to \$20 million and \$40 million, respectively. It also amended the formula for funding from the gross production tax that would provide a predicted funding of \$32 million for the 2015-17 biennium given current oil prices. I would ask you reinstate the Governor's recommended funding given that the recommendation provides for an authorized cap of money that the fund could potentially contain but in reality the spending authority will be set by the formula and subsequent oil production.



5.1

March 13, 2015
HB 1409
Senate Natural Resources Committee

Chairman and Members of the Committee:

My name is Bob Kuylen and I'm the Vice President of North Dakota Farmers Union. We stand in favor of HB 1409.

Presently, I serve as the representative for North Dakota Farmers Union on the board of the Outdoor Heritage Fund. This is a board that is made up of broad interests, including agriculture, conservation, business, parks and recreation, and citizens. We are proud of our work on the board and the projects that we have funded. For example, the advisory board approved 16 projects totaling \$5.2 million in January, for a total of \$19.3 million during the biennium. These projects range from \$1.2 million for the North Dakota Department of Agriculture to provide funding for the State Waterbank Program, to \$975,000 to the city of Dickinson to create an exercise and fitness loop around Patterson Lake. We have demonstrated that this fund can work.

As a board member, I have appreciated the process that we have created to approve projects that come forth from approval. The bill provides some clarity on the types of projects that will be accepted, and will focus our work.

Bob Kuylen

64th LEGISLATIVE ASSEMBLY
Senate Energy and Natural Resources Committee
Senator Donald Schaible, Chair

6.1

House Bill 1409 - "Relating to the funding and purposes of the outdoor heritage fund"

9:00 a.m., Friday, March 13, 2015

Testimony submitted by: Larry Kotchman, State Forester
North Dakota Forest Service

Purpose:

The State Forester supports the clarification of purposes and increasing the level of the North Dakota Outdoor Heritage Fund from \$30 million to \$40 million per biennium.

Background:

The 63rd Legislative Assembly appropriated up to \$30 million per biennium for the North Dakota Outdoor Heritage Fund to support projects such as access to private and public lands for sportspersons; creating fish and wildlife habitats; stewardship toward farming and ranching; enhancing water quality, soil conditions and plant diversity; and for outdoor recreation areas. The North Dakota Industrial Commission has oversight of the Outdoor Heritage Fund. The Outdoor Heritage Fund Advisory Board (consisting of 12 voting and 4 ex-officio members) makes recommendations to the Industrial Commission on the funding of grants. The State Forester serves as an ex officio member with the directors of the North Dakota Game and Fish Department, North Dakota Parks and Recreation Department and the North Dakota Association of Soil Conservation Districts to make technical recommendations on funding outdoor heritage projects.

State agencies, political subdivisions, nonprofit organizations and tribal governments may submit applications for competitive funding. The advisory board receives and scores the applications based on evaluation criteria relating to the intent of the law, matching funds, project management and sustainability. The Industrial Commission, chaired by Governor Dalrymple, is responsible for the operation, management and control of the Outdoor Heritage Fund. The commission has stated that several types of projects will not be considered for funding, such as staffing, annual maintenance, feasibility studies, completed projects, non-permanent equipment, paving for roads and parking lots, and research.

After four grant rounds, The North Dakota Industrial Commission has awarded \$19.1 million for 64 projects. This \$19.1 million will be leveraged with other funding sources for a total of over \$85 million being expended on the directives established by the Legislature. Some of the projects will be fully funded within the next year with others drawing down their funding awards over a multi-year time frame.

As an advisory board technical member, we have been impressed with the excellent quality, diversity and geographic distribution of the approved outdoor heritage projects. For example, the North Dakota Statewide Conservation Tree Planting Initiative sponsored by the North Dakota Association of Soil Conservation Districts received \$1,878,000 in funding to establish field and farmstead windbreaks, living snow fences, wildlife, and conservation tree plantings on farms and ranches. Landowner response has been excellent with over 550 applications being received during the first two sign-ups. This recognition of the importance of planting trees reflects the variety of benefits to both the land and the landowner by preventing soil erosion, increasing crop yields, reducing water pollution, saving energy and increasing wildlife habitat. Tree planting is a proven conservation practice that has staying power through times of drought and flood.

An estimated 55,000 linear miles of windbreaks have been planted across North Dakota since the 1960s. Unfortunately, these tree plantings are showing signs of old age and deterioration from numerous pests and environmental conditions that reduce their effectiveness and limit long-term survival. Throughout the northern Great Plains, it is estimated that 50-90% of the windbreaks have declined and are in need of renovation. Many older windbreaks are being removed and not replaced. The loss of these important tree resources is an immediate concern to many North Dakotans.

The State Forester is committed to working with North Dakota's 55 soil conservation districts on another future statewide project to assist rural landowners with renovating existing older windbreaks that are part of our conservation heritage. Increasing the level of the North Dakota Outdoor Heritage Fund from \$30 million to \$40 million per biennium will ensure sufficient financial resources are available to address this critical natural resource concern.

In addition, we are supportive of the clarifications of purposes for the Outdoor Heritage Fund. Our only concern relates to the provision on Line 3, Page 3, which states "the commission shall exclude any money appropriated from the state general fund from use as matching funds." This could have a potential impact on the North Dakota Forest Service and other state agencies that are appropriated general funds for operations and capital assets. This language may prohibit us from using any state funded efforts by employees, operating and capital assets funds to match OHF projects. Outdoor recreation projects such as trail development on state forest lands may be most affected.

However, we would still have the ability to generate match for forestry projects from other participating partners such as private landowners, communities and fire departments. Many of our current federal and state funded grant projects rely on match generated from these non-federal or non-state funding sources. For example, in the 2011-2013 biennium we awarded \$873,828 in grants for forestry projects that were matched in this fashion by private landowners and communities.

Chairman Schaible, we greatly appreciate this opportunity to submit testimony in support of HB 1409.

###



**Testimony of Dana Schaar Jahner, Executive Director
North Dakota Recreation & Park Association
To Senate Energy & Natural Resources Committee
In Support of HB 1409
Friday, March 13, 2015**

Chairman Schaible and Members of the Committee, my name is Dana Schaar Jahner, and I am executive director of the North Dakota Recreation & Park Association (NDRPA). NDRPA represents public parks and recreation agencies across the state and works to advance parks and recreation for an enhanced quality of life in North Dakota. We stand in support of the Outdoor Heritage Fund, as we did during the 2013 Legislative Session.

The outdoor experience in North Dakota is diverse and expansive, from hunting, fishing, and boating to hiking, biking, and swimming and so much more. NDRPA and its members are committed to ensuring affordable and accessible opportunities for outdoor recreation are available to all of the state's diverse population, as well as its visitors.

The need for the Outdoor Heritage Fund is clear. According to the *2013-2017 North Dakota State Comprehensive Outdoor Recreation Plan*, 93 percent of North Dakota households feel non-consumptive outdoor recreation (excluding hunting and fishing) is important. In addition, 57 percent of outdoor recreation providers report demand for facilities and activities exceeds supply. The estimated unmet capital need by the state's outdoor recreation providers through 2017 is more than \$102 million.

We believe the Fund's four directives provide a well-balanced approach to support conservation and outdoor recreation in all areas of North Dakota. Community parks serve as critical public places for recreation and civic engagement, essential to quality of life in communities. Parks help provide healthy places to exercise, manage stormwater runoff and help clean the air, catalyze economic and community development, and provide safe, close-to-home recreation options. Parks play a critical role in preserving natural resources

... and providing places to recreate that have real economic benefits (more than \$800 million annually). Parks protect open space and connect children to nature.

Community parks are often a child's first and sometimes only exposure to the outdoors. Help us ensure these spaces are safe for children and families by providing access to funding to enhance these places that build community, support physical activity and wellness, and conserve natural resources in municipal settings.

We support the Outdoor Heritage Fund and the Governor's recommendation of increasing it to \$50 million per biennium to provide support for a wide variety of conservation and outdoor recreation opportunities for people in all areas of North Dakota.

March 13, 2015

SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
HB 1409

CHAIRMAN SCHAIBLE AND MEMBERS OF THE COMMITTEE:

For the record my name is Blake Crosby. I am the Executive Director of the North Dakota League of Cities representing the 357 cities across the State. We also have as members the North Dakota Chiefs of Police Association, North Dakota Fire Chiefs Association and North Dakota Recreation and Park Association. As of the end of 2014 we had 101 member Park Districts.

I am here in support of engrossed HB 1409. The availability of city parks and other recreational opportunities are a vital part of a community's infrastructure and lends itself to those amenities that encourage families to live and work in that community. City parks and recreation opportunities are a part of that "quality of life" need identified in the GNDC 2020 and Beyond study.

On behalf of the North Dakota League of Cities, I request a Do-Pass on HB 1409.

THANK YOU FOR YOUR TIME AND CONSIDERATION. I will try to answer any questions.



North Dakota Association of Rural Electric Cooperatives
3201 Nygren Drive NW • P.O. Box 727 • Mandan, ND 58554-0727

Phone: 701.663.6501 or 800.234.0518
Fax: 701.663.3745 • www.ndarec.com

9.1

HB 1409

Testimony of Zachary Smith, government relations director
North Dakota Association of Rural Electric Cooperatives
Before the Senate Energy and Natural Resources Committee
Fort Lincoln Room, Friday, March 13, 2015

On behalf of the N.D. Association of RECs, I rise to support the funding provided for the Outdoor Heritage Fund that's contained in HB 1409.

Our membership consists of 16 local electric cooperatives and 5 generation and transmission cooperatives that provide electric power to more than a third of the state's population. Collectively, our members have invested more than \$1 billion in distribution assets and more than \$5 billion in generation and transmission plant to provide this electric power to our members.

During the debate last fall on Measure #5, our board voted to oppose the measure because of its mechanics, but supported the merits of the measure. A resolution approved by our board stated that we "oppose Measure #5 as an imperfect mechanism" to fund conservation and outdoor recreation projects and investments across the state. The resolution then went on to support the proposed enhancement plan put forth by Gov. Jack Dalrymple, and to seek \$30 million this biennium for infrastructure improvements to our state's parks. We are supporting both of these initiatives this session.

North Dakota's electric cooperatives came into existence to improve the quality of life for rural residents who had long-suffered without the benefits of electric power.

We have not forgotten these roots and this purpose, and continue to support initiatives—like the Outdoor Heritage Fund and the State Parks upgrades—that improve the quality of life for the members we serve.

We have also heard from the citizens of North Dakota that they too support conservation. A public opinion poll we conducted in January of 2014 came back with these results: When asked which was more important to them, economic development or environmental stewardship, 64 percent chose environmental stewardship over economic development (27 percent).

As electric cooperatives, we serve a growing base of members who live in rural subdivisions surrounding our state's major cities or within the city limits themselves. Drive through these areas and one will find the driveways and camper pads filled with boats, campers and SUVs. We know our members much enjoy the outdoor recreation experience, whether that's hunting, camping, fishing, hiking or boating.

The resources provided to the Outdoor Heritage Fund in HB 1049 will help improve the quality of life in North Dakota. We urge the committee to give this bill a "Do Pass" recommendation.

*Full text of the NDAREC board resolution: "The board of directors of NDAREC goes on record supporting the increased conservation funding of \$80 million for the 2015-2017 biennium contained in Governor Dalrymple's budget recommendation, and opposes Measure 5 as an imperfect mechanism to create and fund parks, wildlife and conservation programs."



Testimony of Carmen Miller, Director of Public Policy
Ducks Unlimited, Inc.
Bismarck, ND
Before the Senate Committee on Energy and Natural Resources
Senator Donald Schaible, Chairman
House Bill 1409
March 13, 2015

10.1

Good morning, Mr. Chairman and members of the committee. My name is Carmen Miller and I am the Director of Public Policy for Ducks Unlimited's Great Plains Region in Bismarck. On behalf of Ducks Unlimited (DU) and our 7,400 members in North Dakota, I appreciate the opportunity to join many others here today in support of the proposed funding increase for the Outdoor Heritage Fund (OHF) outlined in HB 1409.

Ducks Unlimited opened its regional headquarters in Bismarck in 1984 and over the past 30 years we've invested more than \$85 million in North Dakota working hand and hand with private landowners and other partners delivering voluntary incentive-based conservation programs. The OHF provides an exciting opportunity to build strong public-private partnerships, significantly leverage other partner resources and provide great benefits and resources for our farmers, ranchers, sportsmen and other outdoor enthusiasts across the state.

We'd like to acknowledge and thank Governor Dalrymple and the North Dakota Legislature for their leadership and commitment to making greater investments in our state's treasured outdoors. Hunting, fishing, and outdoor recreation are part of who we are as North Dakotans and a major economic driver for our state generating \$1.4 billion of economic activity each year. These investments are vital to our state's economy and quality of life. - Investments in the outdoors help diversify our economy making our communities more resilient to downturns in other sectors.

When HB 1409 was considered by the House Energy and Natural Resources Committee, I and many others in the room testified in support of the Governor's budget request and the language in this bill capping the fund at \$50 million per biennium. The bill before you today includes a lower cap of \$40 million per biennium. North Dakota's economic forecast has changed dramatically since the Governor's budget and HB 1409 were originally introduced, and this body faces many challenges in developing a budget for the next biennium. We would encourage you to consider the following factors when determining the final amounts for this important program:

- The \$50 million cap expressed in the original bill is not an appropriation, but rather simply a cap, which will only be reached if oil prices return to higher levels.
- The OHF is a new but very popular and broadly supported program. Over 100 applicants from all corners of the state, including cities, counties, schools, tribes, local park boards and state agencies have applied for funding.
- In the first year, \$62 million, over twice the current authorized funding level, was requested from applicants. While many great projects were funded, nearly 2/3 of applicants went away empty-handed.
- Funding partners have provided matching funds for projects at a \$1.30 to \$1.00 ratio, showing a significant return on state investment.

We respectfully urge the committee to give HB 1409 a "Do Pass" recommendation, and to consider increasing the cap to the \$50 million requested in Governor Dalrymple's budget. Thank you for your time and commitment to our state's treasured outdoor traditions and future generations.

INVESTING IN NORTH DAKOTA'S OUTDOOR HERITAGE

10.2

Background

The Outdoor Heritage Fund (OHF) was created by the legislature in 2013. The fund, capped at \$30 million per biennium, is governed by the Industrial Commission. A 12-member advisory board reviews applications from eligible organizations: nonprofits, state agencies, political subdivisions, and tribes; and makes grant funding recommendations.



Purpose

The fund aims to increase public access for sportsmen, provide voluntary incentives to farmers and ranchers for land and water stewardship, enhance parks, conserve natural areas for recreation, and maintain healthy wildlife and fish populations.

Broad Support & Unmet Needs

- Over 100 different groups have applied for grants and 70% of requests have gone unfunded (Fig. 1)
- Private/Public Partnership: Partners have matched OHF funds more than \$1.3 to \$1 (Table 1)
- Important Needs: Funding requests have been submitted by cities, counties, schools, tribes, park and recreation districts, conservation and other non-profit groups across North Dakota (Fig. 2; backside)

Table 1.

Round	Grant Requests	Total Project Costs	Grants Awarded	Unfunded Requests
1	\$34.6 million	\$62.6 million	\$5.8 million	\$28.8 million
2	\$6.8 million	\$13.2 million	\$2.5 million	\$4.3 million
3	\$13.0 million	\$55.2 million	\$5.8 million	\$7.2 million
4	\$7.4 million	\$11.8 million	\$5.2 million	\$ 2.2 million
Total:	\$62.0 million	\$142.9 million	\$19.3 million	\$42.6 million

Our Legacy

Impacts on ND's Economy

- Hunting and fishing generate \$1.4 billion in economic activity each year
- Investments in parks provide a \$9 to \$1 economic return through local investments and jobs

Habitat Challenges

- Roughly 2 million CRP acres have expired since 2007
- PLOTS acreage is down one-third since 2008 (>386,000 acres) reducing access for sportsmen
- Deer licenses issued are the lowest in 34 years and pheasant harvest has declined nearly 50% (~460,000 birds annually) since 2007

Public Supports Increased Investment

- 61% of North Dakotans believe more should be done to protect the state's land, water, and wildlife
- More than half of ND outdoor recreation providers reported public demand exceeded supply of opportunities in 2012

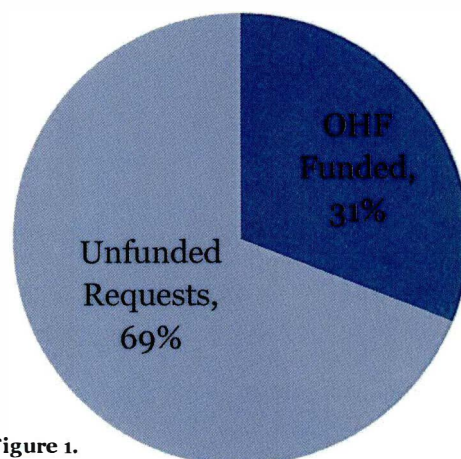


Figure 1.

Data Source: NDIC – Outdoor Heritage Fund - www.nd.gov/ndic/outdoor-info/page.htm

INVESTING IN NORTH DAKOTA'S OUTDOOR HERITAGE

Grant Applicants

10.3

Nonprofits

American Bird Conservancy
Audubon Dakota
*Bismarck Rotary Club
Blacktail Dam Association
*Carrington CrossRoads Golf Course
*Cliffs Subdivision
Delta Waterfowl
*Devils Lake Chamber of Commerce
Ducks Unlimited, Inc.
Fingal Wildlife Club
*Fort Abraham Lincoln Foundation
*Golden Ridge Lutheran Church
*Green Acres Property Owners' Association
*Heart & Lung Clinic Foundation
*Little Missouri Grazing Association
Ludden Sportsmen Club
*Maah Daah Hey Trail Association
*Menoken 4-H Picnic Park Mutual Aid Corporation Board of Directors
Minot Family YMCA
*Minot Indoor Rodeo, Inc.
Minot Park District Foundation
Mule Deer Foundation
ND 4-H Foundation
ND Association of SCDs
*ND Grazing Lands Coalition
ND Natural Resources Trust
*New Rockford Area Betterment Corporation
Norsemen Archers, Inc.
*Northern Plains Resource Conservation and Development Council
*Northwood Hockey Boosters
Pheasants Forever Dakota Chapter, Bismarck
Pheasants Forever, Inc.
*Pheasants Forever: Sakakawea Chapter #335
*River Keepers
Sandhills Archery Club
*Save The Hens Foundation, Inc.
*Sleepy Hollow Arts Park
*Sporting Chance
*The Minot Retriever Club
The Nature Conservancy
*The Outdoor Adventure Foundation Inc.
*United Prairie Foundation Inc

Political Subdivisions

Barnes County SCD
Beach City Park Board
Beulah Park District
*Beulah Public School District #27
Bismarck Parks and Recreation District
*Bowman County Weed Board
*Burleigh County Water Resources District
*Casselton Park District
*Cavalier County Water Resource District
*City of Beulah and Coal Country Community Health Center
City of Dickinson
City of Grand Forks
*City of LaMoure
*City of Munich
City of Munich - City Park
*City of Valley City
*City of Washburn
Dickey County Park Board
Drayton Park Board
Eddy County Water District
Golden Lake Improvement Association
Grand Forks Park District
*Grant County SCD
Grant County Water Resource District
Griggs County Soil Conservation District
*Hankinson Park District
Hankinson Public School
Hunter/Arthur JPA Park Board
LaMoure County SCD
*Logan County JDA
Minot Park District Foundation
Morton County Parks
Morton County Water Resource District
*Mott Park District
Nelson County Park Board
Park River Parks and Recreation
Ransom County SCD
Ransom County Water Resource District
Red River Regional Council
Richland Soil Conservation District
Sargent County Park Board & Commissioners
South McLean County Soil Conservation District

*Spring Creek Watershed, Mercer County SCDs
Stutsman County Soil Conservation District
*Tioga Park District
Tri-Cities Joint JDA
*Tri-Cities joint JDA at Lake Tschida
Valley City Parks and Recreation Department
*Ward County Park Board
*Watford City Park Board
Wild Rice Soil Conservation District
*Williams County Water Resource District

State Agencies

*ND Barley Council
ND Dept. Agriculture
*ND Forest Service
ND Game & Fish Department
ND Parks & Recreation Department
*ND Parks and Recreation Department & Lewis & Clark Fort Mandan Foundation
North Dakota State University
University of North Dakota
Valley City State University

Tribes

Spirit Lake Nation Fish and Wildlife Department
Turtle Mountain Band of Chippewa Indians (TMBCI)

Number of Proposals by Group

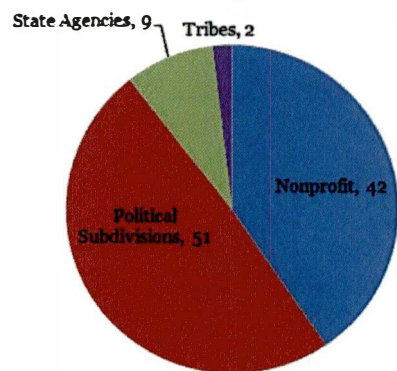
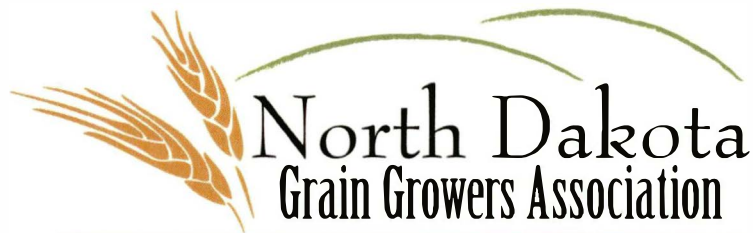


Figure 2. 151 proposals from 104 groups.

*Did not receive funding



Your voice for wheat and barley. www.ndgga.com

11.1

**North Dakota Grain Growers Association
Testimony on HB 1409
Senate Energy and Natural Resources Committee
March 13, 2015**

Chairman Schaible, members of the Senate Energy and Natural Resources Committee, for the record my name is Dan Wogsland, Executive Director of the North Dakota Grain Growers Association. NDGGA appears today in opposition to the increased funding for the Outdoor Heritage Fund contained in HB 1409.

Chairman Schaible, members of the Senate Energy and Natural Resources Committee the North Dakota Grain Growers Association was a part of the diverse coalition that helped to formulate the Outdoor Heritage Fund in the 2013 Legislative Session. Our Association is a part of the Advisory Committee which assists in reviewing grant applications and making grant recommendations to the Industrial Commission. In short, we have been part of the conservation solution in this state; one way to do this is by being active participants in the Outdoor Heritage Fund process.

The North Dakota Grain Growers Association Board of Directors at its February 10 meeting voted to not support increased funding for the Outdoor Heritage Fund. When the NDGGA Board considered the state of North Dakota's projected revenues, combined with unmet needs that we have observed in the Legislative process especially in the area of agricultural research, it was the feeling of the Board that increased funding of the Outdoor Heritage Fund at this time is not warranted.

In 4 grant rounds the Outdoor Heritage Fund is on pace to meet the needs of a wide variety of projects across North Dakota; these needs have been met with a \$30 million fund that is arguably one of its kind in the U.S. With unlimited wants, unmet needs and limited resources all sectors of North Dakota's budget will be impacted during the 2015 Legislative Assembly; that said all budgets, including the Outdoor Heritage Fund must share in the impacts.

Therefore, Chairman Schaible, members of the Senate Energy and Natural Resources Committee, the North Dakota Grain Growers Association would ask the Committee to reject the increased funding contained in HB 1409.

NDGGA provides a voice for wheat and barley producers on domestic policy issues – such as crop insurance, disaster assistance and the Farm Bill – while serving as a source for agronomic and crop marketing education for its members.

12.1
3/13/15

Testimony before the 64th Legislative Assembly

Senate Energy and Natural Resources Committee

Thursday, March 12, 2015 at 3:00 P.M.

Engrossed House Bill 1409 Testimony

By Glen E. Baltrusch

Mr. Chairman, Committee Members,

Good afternoon! My name is Glen Baltrusch, and I reside at Harvey, ND; which is in District 14. I stand before you in support of Engrossed House Bill No. 1409. This bill as Engrossed, appears to be a reasonable piece of legislation that is before this **Senate Energy and Natural Resources Committee** and the **64th Legislative Assembly** for your consideration and enactment. As I was not able to attend the committee hearing for Engrossed House Bill 1409 in the House of Origin; and in reading the amendments to the original language of House Bill 1409, I find that one area that has been over-looked relates to Outdoor Education Programs

Herein is where I respectfully request the current language of Engrossed House Bill 1409 be amended, but yet the proposed amendments would remain within the original intent of **54-17.8-03. North Dakota outdoor heritage fund purposes**. Therefore, I respectfully request that this Senate Energy and Natural Resources Committee consider the following proposed amendments for adoption to Engrossed House Bill 1409 as follows:

Proposed Amendments to Engrossed House Bill 1409

Page 1, line 17, after "lands;" remove "and"

Page 1, line 19, after "areas" overstrike "r"

Page 1, line 19, after "areas" insert "; and"

Page 1, after line 19, insert "Enhancing, supporting, and maintaining outdoor education programs."

Renumber accordingly.

I believe the proposed amendments to Engrossed House Bill 1409 are important to the residents of North Dakota, as well as to fulfill the original intent of the Outdoor Heritage Fund.

As you are aware, the North Dakota Game and Fish Department provides for a variety of Outdoor Education Programs and co-ops with various outdoor organizations as well. For example:

1. At least nine various types of classes and workshops;
2. BOW – Becoming an Outdoors-Woman;
3. At least eight various programs for Youth;
4. Various Teacher Resources for the classroom;
5. Education Grants which include hunting, archery, and shooting;
6. A number of other educational opportunities which include services for people with disabilities, wildlife and conservation resources, the Conservation and Outdoor Skills Park at the North Dakota State Fair; and
7. One of the most important programs of all – the Volunteer Program – those individuals who work, provide assistance, and are instructors with:
 - a. Hunter Education;
 - b. Fur Harvester Education;
 - c. Hooked on Fishing;
 - d. Boat and Water Safety; and
 - e. Conservation Volunteer's Programs.

So why are the amendments needed? As you can see, Outdoor Education Programs are a fundamental part of Hunting – Trapping – Fishing – Boating' – Wildlife and Conservation; and are a very important part of Outdoor Life in North Dakota for both adults and youth. How well these programs function in part is dependent on needs and available funding. Adoption of the proposed amendments to **Engrossed House Bill 1409** may provide needed funding for enhancement, support, and maintenance of outdoor education programs within the State of North Dakota if granted as provided for under Title 54 of the North Dakota Century Code.

Therefore, I ask for your support and passage in committee of **Engrossed House Bill No. 1409** with the "**adoption of the proposed amendments on Page 1**"; and with a "**Do Pass**" recommendation to the floor of the Senate of the 64th Legislative Assembly for adoption, passage, and enactment.

Mr. Chairman, and Committee Members, thank you for your time and consideration of this pertinent matter. If you have any questions, I will attempt to answer them for you.

Good afternoon, Chairman Schaible and members of the Senate Energy and Natural Resources Committee. For the record, my name is Julie Ellingson and I represent the North Dakota Stockmen's Association.

Our organization believes in conservation and was amongst the stakeholders that designed the Outdoor Heritage Fund and presented the idea to the legislature last session. We have been pleased with the effort and the kinds of projects that the fund has been able to support to put conservation projects on the ground, which is obviously important to the agricultural community. We appreciate the parameters in which the fund operates under – particularly no land acquisition or easements longer than 20 years – as well as the wide array of stakeholders that have a voice in the decision-making process through the advisory group.

We can support the policy additions to the grant eligibility requirements reflected in the bill. They speak to the legislative intent of the Outdoor Heritage Fund and codify the parameters the advisory board has used in its selection process to date.

We likewise support the commission's right to place conditions on an offer or a grant and the prohibition of the use of state general funds as match.

While we support funding for the Outdoor Heritage Fund, the appropriation for this biennium appears to be adequate to cover the number of qualified projects vying for the dollars. That's why our organization does not think that there is a demonstrated need for the enhanced appropriation reflected in the bill, particularly in this time of fiscal uncertainty, when you and your peers may be forced to make serious budget cuts.

Thank you for this opportunity to comment. Are there any questions?

15.0453.06001
Title.

Prepared by the Legislative Council staff for
Senator Laffen

March 10, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1409

Page 3, line 8, replace "five" with "ten"

Page 3, line 9, replace "ten" with "fifteen"

Renumber accordingly

Attachment 1
3/19/15

March 25, 2015

Attachments 1
3/26/15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1409

Page 1, line 1, after "to" insert "create the next biennium K-12 fund;"

Page 1, line 1, remove the second "and"

Page 1, line 1, after "57-51-15" insert ", and 57-51.1-07.5"

Page 1, line 2, after "fund" insert "and the state share of oil and gas tax allocations"

Page 4, remove lines 5 through 8

Page 4, line 9, overstrike "e." and insert immediately thereafter "d."

Page 4, line 14, overstrike "f." and insert immediately thereafter "e."

Page 8, remove lines 7 through 10

Page 8, line 11, overstrike "d." and insert immediately thereafter "c."

Page 8, line 16, overstrike "e." and insert immediately thereafter "d."

Page 12, after line 25, insert:

"SECTION 4.

Next biennium K-12 fund.

There is created in the state treasury the next biennium K-12 fund. The fund consists of oil and gas tax revenue deposited pursuant to chapter 57-51.1. Moneys in the fund may be spent pursuant to legislative appropriations, for elementary and secondary education purposes.

SECTION 5. AMENDMENT. Section 57-51.1-07.5 of the North Dakota Century Code is amended and reenacted as follows:

~~57-51.1-07.5. (Effective through June 30, 2015) State share of oil and gas taxes--Deposits.~~

~~From the revenues designated for deposit in the state general fund under chapters 57-51 and 57-51.1, the state treasurer shall deposit the revenues received each biennium as follows:~~

- ~~1. The first two hundred million dollars into the state general fund;~~
- ~~2. The next three hundred forty one million seven hundred ninety thousand dollars into the property tax relief fund;~~
- ~~3. The next one hundred million dollars into the state general fund;~~
- ~~4. The next one hundred million dollars into the strategic investment and improvements fund;~~
- ~~5. The next twenty two million dollars into the state disaster relief fund; and~~

6. ~~Any additional revenues into the strategic investment and improvements fund.~~

(Effective after June 30, 2015) State share of oil and gas taxes - Deposits.

From the revenues designated for deposit in the state general fund under chapters 57-51 and 57-51.1, the state treasurer shall deposit the revenues received each biennium as follows:

1. The first two hundred million dollars into the state general fund;
2. ~~The next three hundred forty one million seven hundred ninety thousand dollars into the property tax relief sustainability fund~~The next seven hundred twelve million dollars into the next biennium K-12 fund;
3. The next thirty million dollars into the North Dakota outdoor heritage fund;
- ~~3-4.~~ The next one hundred million dollars into the state general fund;
5. The next two hundred fifty million dollars into the property tax relief sustainability fund;
- ~~4-6.~~ The next one hundred million dollars into the strategic investment and improvements fund;
- ~~5-7.~~ The next twenty-two million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than twenty-five million dollars; and
- ~~6-8.~~ Any additional revenues into the strategic investment and improvements fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment changes the allocation of oil and gas tax revenue to the North Dakota outdoor heritage fund from an allocation of 8 percent of the 1 percent of the 5 percent oil and gas gross production tax limited to \$20 million per fiscal year to an allocation of \$30 million from the state's share of oil and gas tax revenue. This amendment also changes the allocation of the state's share of oil and gas tax revenue to provide an allocation to a newly created next biennium K-12 fund, to reduce the allocation to the property tax relief sustainability fund, and to limit the allocations to the state disaster fund based on the fund's unobligated balance.

PROPOSED AMENDMENTS TO ENGROSSED HB 1409

(Sen. Unruh)

Attachment 1
3/27/15

Page 4, line 5, replace "eight" with "six"

Page 4, line 7, replace "twenty" with "fifteen"

Page 4, line 8, replace "forty" with "thirty"

Page 8, line 7, replace "eight" with "six"

Page 8, line 9, replace "twenty" with "fifteen"

Page 8, line 10, replace "forty" with "thirty"

1 Apr. 15, 2015

15.0453.06003
Title.07000

Adopted by the Energy and Natural Resources
Committee

March 27, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1409

Page 4, line 5, replace "eight" with "six"

Page 4, line 7, remove the overstrike over "fifteen"

Page 4, line 7, remove "twenty"

Page 4, line 8, remove the overstrike over "thirty"

Page 4, line 8, remove "forty"

Page 8, line 7, replace "eight" with "six"

Page 8, line 9, remove the overstrike over "fifteen"

Page 8, line 9, remove "twenty"

Page 8, line 10, remove the overstrike over "thirty"

Page 8, line 10, remove "forty"

Renumber accordingly

54-17.8-06. North Dakota outdoor heritage advisory board - Members.

1. There is created a North Dakota outdoor heritage advisory board consisting of twelve members. The governor shall appoint representatives from each of the groups listed in this section based upon recommendations made by the appropriate group. The advisory board consists of:
 - a. Four members from the agriculture community. The governor shall appoint one member from the North Dakota farm bureau, North Dakota farmers union, the North Dakota stockmen's association, and the North Dakota grain growers association.
 - b. Two members from the energy industry. The governor shall appoint one member from the North Dakota petroleum council and one member from the lignite energy council.
 - c. Four members from the conservation community. The governor shall appoint from a list of nominations one member from ducks unlimited of North Dakota, one member from the North Dakota chapter of pheasants forever, and two members from the conservation community at large of statewide conservation groups.
 - d. One member from the business community from the greater North Dakota chamber.
 - e. One member from the North Dakota recreation and park association.
2. The governor also shall appoint to the advisory board one representative from each of the following agencies to serve as ex officio, nonvoting technical members: the department of parks and recreation, the game and fish department, the office of the state forester, and the North Dakota association of soil conservation districts.
3. The term of office of each member of the board is four years and members may not serve more than two consecutive terms. The terms of office commence on the first day of July. The initial terms for the advisory board members must be staggered following a method determined by the board.
4. The advisory board shall select a chairman from among the members. Seven voting members is a quorum at any meeting.
5. The advisory board shall have at least two regular meetings each year and additional meetings as the chairman determines necessary at a time and place to be fixed by the chairman. Special meetings must be called by the chairman on written request of any five members.
6. The advisory board shall recommend to the commission the approval of grants for funding activities that fulfill the purposes of this chapter.
7. Members of the advisory board appointed by the governor serve at the pleasure of the governor.

54-17.8-07. Report to the budget section of the legislative management.

The advisory board shall provide a biennial report to the budget section of the legislative management.

Apr. 17, 2015 #1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1409

That the Senate recede from its amendments as printed on page 1304 of the House Journal and page 1001 of the Senate Journal and that Engrossed House Bill No. 1409 be amended as follows:

Page 1, line 1, replace the first comma with "and"

Page 1, line 1, after the second comma insert "subdivision c of subsection 1 of section 54-17.8-06,"

Page 1, line 1, after the second "and" insert "section"

Page 1, line 2, after "fund" insert "and the outdoor heritage advisory board"

Page 1, line 3, remove "and"

Page 1, line 3, after "date" insert "; and to declare an emergency"

Page 1, line 9, after "organizations" insert "with higher priority given"

Page 1, line 10, after "conservation" insert "practices"

Page 2, line 17, replace the second "twenty-five" with "ten"

Page 3, after line 17, insert:

"SECTION 3. AMENDMENT. Subdivision c of subsection 1 of section 54-17.8-06 of the North Dakota Century Code is amended and reenacted as follows:

- c. Four members from the conservation community. The governor shall appoint ~~from a list of nominations one member from ducks unlimited of North Dakota, one member from the North Dakota chapter of pheasants forever, and two~~the members from the conservation community at large of statewide conservation groups."

Page 12, after line 27, insert:

"SECTION 6. EMERGENCY. Subsection 2 of section 54-17.8-05 as amended by section 2 of this Act is declared to be an emergency measure."

Renumber accordingly

Outdoor Heritage Fund Advisory Board Membership

Apr 17, 2015 #2

p. 1

North Dakota Farm Bureau - 6/30/2018

Mr. Eric Aasmundstad
110 Palmer Road
Devils Lake, ND 58301
701-351-2612
eric@ndfb.org

1 yr.
Reappointed
to 4 yr.

Conservation at-large - 6/30/2016

Dr. Carolyn Godfread
216 West Avenue F
Bismarck, ND 58501
701-223-2546/701-391-1146
Godfread@bis.midco.net

3 yr.

North Dakota Petroleum Council - 6/30/2017

Mr. Blaine Hoffman
P. O. Box 98
Gladstone, ND 58630
701-456-5410/701-590-1656
blaineh@whiting.com

4 yr.

ND Farmers Union - 6/30/2016

Mr. Robert Kuylen
P. O. Box 273
South Heart, ND 58655
701-677-4115/701-260-7140
bkuylen@ndfu.org

3 yr.

ND Stockmen's Association - 6/30/2017

Mr. Wade Moser
1105 W. Burleigh Avenue
Bismarck, ND 58504
701-222-8147
wademoser@bis.midco.net

4 yr.

Pheasants Forever - 6/30/2016

Ms. Patricia Stockdill
1450 42nd Avenue NW
Garrison, ND 58540-9200
701-337-5462/701-337-6185
Stockdill.patricia@gmail.com

3 yr.

Ex-officio:

Mr. Larry Kotchman, State Forester
307 1st Street East
Bottineau, ND 58318-1100
701-228-5422
Larry.kotchman@ndsu.edu

Ms. Rhonda Vetsch
ND. Association of Soil Conservation Districts
318 S. Broadway Street
Linton, ND 58552
701-254-4653 Ext. 3
Rhonda.vetsch@nd.nacdnet.net

Revised 8/1/2014

ND Recreation and Parks Association - 6/30/2018

Mr. Randy Bina
Bismarck Parks and Recreation
400 East Front Avenue
Bismarck, ND 58504
701-222-6455
rbina@bisparks.org

1 yr.
Reappointed to
4 yr.

Greater North Dakota Chamber - 6/30/2015

Mr. Jon Godfread
P. O. Box 2639
Bismarck, ND 58502
701-222-0929/701-330-3902
jon@ndchamber.com

2 yr.

Ducks Unlimited - 6/30/2018

Dr. Tom Hutchens
Mid Dakota Clinic Center for Women
1000 E. Rosser Avenue
Bismarck, ND 58501
701-530-6000/701-527-2953
thutchens@primecare.org

1 yr.
Reappointed
to 4 yr.

Lignite Energy Council - 6/30/2015

Mr. Jim Melchior
3113 Chisholm Trail
Bismarck, ND 58503
701-222-7587/701-220-8023
jim.melchior@nacoal.com

2 yr.

Conservation at-large - 6/30/2017

Mr. Kent Reiersen
P. O. Box 1206
Williston, ND 58802
701-572-2200
kreiersen@crowleyfleck.com

4 yr.

ND Grain Growers Association - 6/30/2015

Mr. Dan Wogsland
2401 46th Avenue SE, Suite 204
Mandan, ND 58554
701-226-6317
danw@ndgga.com

2 yr.

Mr. Terry Steinwand, Director
Game and Fish Department
100 North Bismarck Expressway
Bismarck, ND 58501-5095
701-328-6305
tsteinwa@nd.gov

Mr. Mark Zimmerman, Director
North Dakota Dept. of Parks & Recreation
1600 East Century Avenue, Suite 3
Bismarck, ND 58503-0649
701-328-5353
markzimmerman@nd.gov



Background - The Outdoor Heritage Fund (OHF) was created by the legislature in 2013. The fund, capped at \$30 million per biennium, is governed by the Industrial Commission consisting of Governor Jack Dalrymple, Chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Doug Goehring. A 16-member advisory board (12 voting members) reviews applications from eligible organizations: nonprofits, state agencies, political subdivisions, and tribes; and makes grant funding recommendations.

Governor Dalrymple's Executive Budget proposes an increase in the funding level to \$50 million per biennium.

Directive A - Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

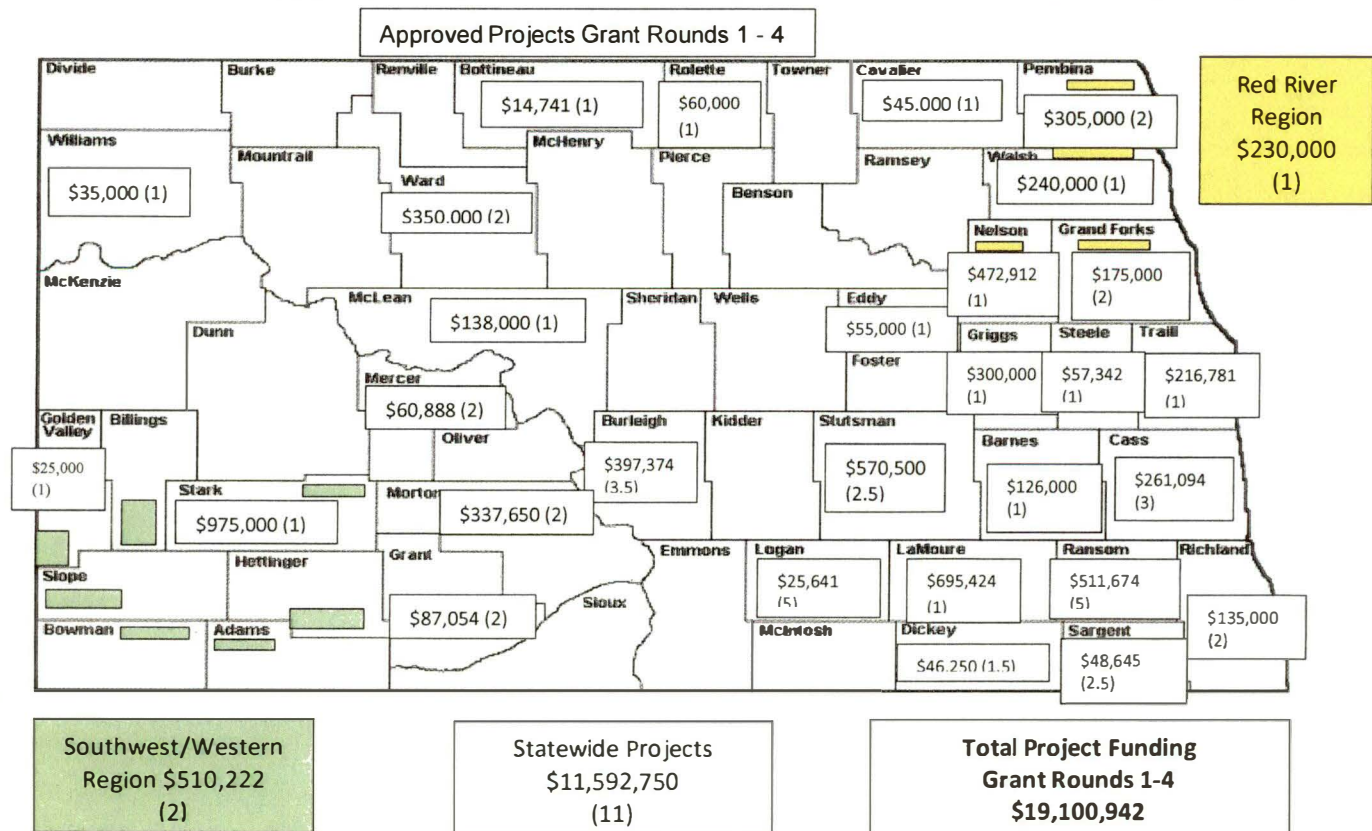
Directive B - Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems and to support other practices of stewardship to enhance farming and ranching;

Directive C - Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and

Directive D - Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Funding Guidelines

After the first grant round in January, 2014 and after consultation with legislators, the Industrial Commission based on a recommendation from the OHF Advisory Board stated that except for extenuating circumstances the Commission would not consider funding for projects already completed; projects that are on-going (phased projects would be considered); staffing; feasibility studies; annual maintenance; paving projects for roads and parking lots; swimming pools; non-permanent equipment (such as tractors, snowmobiles); research; and projects where the applicant is not directly involved in the project. A 25% match from the applicant was also strongly encouraged.



Apr. 17, 2015
P. 2

Directive	Title	Total Project Cost	IC Approved Funding
A	Blacktail Dam Association	\$105,100	\$35,000
A	Fingal Wildlife Club Dam Restoration	\$52,600	\$35,500
A	Fox Island Boat Ramp Bank Stabilization	\$299,122	\$215,374
A	Handicap Accessible Fishing Pier at Sheep Creek Dam	\$28,632	\$20,902
A	ND Game & Fish Department Outdoor Heritage Habitat Initiative	\$2,733,000	\$1,900,000
A	North Dakota Pheasant Habitat Initiative	\$38,000,000	\$3,000,000
A	Pheasant Lake Fishing access/Shoreline Restoration Project	\$42,500	\$21,250
A	Prairie Project	\$842,300	\$300,000
A	TMBCI Sky Chief Park Fishing Pier Project	\$70,000	\$60,000
A	Western ND Habitat Enhancement Projects	\$719,900	\$480,900
Directive A Totals		\$42,893,154	\$6,068,926
B	Antelope Creek Wild Rice Corridor Watershed Restoration Project	\$977,000	\$105,000
B	Bald Hill Creek Watershed Project	\$880,665	\$300,000
B	Enhanced Grazing Lands & Wildlife Habitat (Phase I)	\$3,665,820	\$828,000
B	ND Statewide Conservation Tree Planting Initiative	\$4,875,033	\$1,878,000
B	North Dakota Pollinator Partnership	\$292,879	\$173,750
B	Ransom County Water Quality Improvement Project	\$1,600,000	\$115,000
B	Red River Riparian Project	\$568,394	\$230,000
B	Riparian Grazing Systems Project	\$422,500	\$253,500
B	Sheyenne River Sedimentation Reduction Project	\$957,000	\$126,000
B	Stutsman County Manure Management Project	\$2,900,000	\$300,000
B	The Marcus Friskop Nature Center	\$378,960	\$30,000
B	Turtle Creek Watershed Project Water & Habitat Initiative	\$1,263,072	\$138,000
B	Wild Rice River Restoration & Riparian Project Phase II	\$33,125	\$9,937
Directive B Totals		\$18,814,448	\$4,487,187
C	Aquatic Habitat Infrastructure Enhancement	\$934,218	\$322,000
C	Bismarck PF Habitat Enhancement	\$100,000	\$60,000
C	Brown Ranch Habitat Enhancement through Prescribed Grazing	\$24,255	\$16,000
C	Conservation of Grasslands and Long-billed Curlews on Private Lands in SW ND	\$213,930	\$29,322
C	Lake Tschida's Wildlife Conservation Planting, Recreation Project Walking Trail, Bird Observatory and Playground Rest Area	\$92,969	\$66,152
C	LSC 20,000 Trees by 2020	\$181,000	\$50,000
C	Natural Resource Stewardship in North Dakota's Parks, Preserves & Natural Areas	\$645,987	\$129,000
C	ND Hen House Project I	\$65,030	\$34,000
C	North Dakota Waterbank Program	\$1,600,000	\$1,200,000
C	South Golden Lake Inlet Beautification Project	\$74,342	\$57,342
C	Urban Woods and Prairies Initiative	\$148,789	\$82,218
C	Warwick Dam - Modification & Rehabilitation (Water Commission Project # 0240)	\$272,152	\$55,000
C	Water Storage Piggyback	\$400,000	\$300,000
C	Working Wetlands in North Dakota	\$4,950,000	\$1,750,000
Directive C Totals		\$9,702,672	\$4,151,034
D	Beach City Park Northside Playground	\$60,000	\$25,000
D	Beulah Bay Campground Expansion & Conservation Project	\$74,212	\$42,120
D	Centennial Park Woodland Trail and Souris River Recreational Access Plan	\$634,000	\$305,000
D	City of Munich Playground Equipment Fund	\$109,329	\$45,000
D	Community Outdoor Fitness Park	\$466,492	\$45,000
D	Crooked Crane Trail Exercise & Fitness Loop	\$1,300,000	\$975,000
D	Dead Colt Creek Recreational Playground Project	\$60,232	\$45,174
D	Downtown River Access for Grand Forks Greenway	\$100,000	\$75,000
D	Drayton Campground	\$463,378	\$305,000
D	Graner Park Bank Stabilization	\$250,200	\$187,650
D	Harmon Lake Campground Expansion	\$200,000	\$150,000
D	LaMoure County Memorial Park Streambank Restoration Project	\$971,946	\$695,424
D	Norsemen Outdoor Education Center	\$303,281	\$216,781
D	North Dakota 4-H Camp	\$23,673	\$18,768
D	Northern Cass Pass	\$185,171	\$138,876
D	Park River Parks & Recreation - Phase I Campground	\$1,460,027	\$240,000
D	Public Use Fishing Docks at Lake Metigoshe and Beaver Lake State Parks	\$53,842	\$40,382
D	Ryan Lake Fishing and Recreation Development Project	\$290,005	\$100,000
D	Sandhills Archery Club Landscaping	\$82,550	\$40,000
D	Sargent County Silver Lake Park "Playplaces & Gathering Spaces" Renovations Project	\$54,832	\$13,708
D	Stump Lake Park Bank Restoration	\$630,550	\$472,912
D	Trail Restoration & Improvement Program	\$242,629	\$112,000
D	Trailhead / Neighborhood Park	\$627,920	\$105,000
Directive D Totals		\$8,644,269	\$4,393,795
Grand Total		\$80,054,543	\$19,100,942