2023 SENATE AGRICULTURE AND VETERANS AFFAIRS

SB 2290

2023 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee
Fort Union Room, State Capitol

SB 2290
1/26/2023

A BILL for an act to provide an appropriation to the agricultural commissioner for grasslands grazing grants; and to provide an exemption

10:45 AM Chairman Luick called the committee to order. Senators Hogan, Weston, Weber and Luick present. Senators Lemm and Myrdal absent

Discussion Topics:

- Legislative history
- Purpose of fund

10:46 AM Doug Goehring, Commissioner, North Dakota Department of Agriculture, introduced the bill and testified in favor #16909

11:01 AM Chairman Luick adjourned the committee hearing

Dave Owen, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee
Fort Union Room, State Capitol

SB 2290
1/27/2023

A BILL for an Act to provide an appropriation to the agricultural commissioner for grasslands grazing grants; and to provide an exemption

10:10 AM Chairman Luick called the committee to order. Senators Weston, Weber, Luick, Myrdal, Lemm were present. Senator Hogan was absent.

Discussion Topics:

- Carry-over funds
- Program necessity

10:13 AM Senator Lemm moved DO NOT PASS SB 2290

10:13 AM Senator Myrdal seconded DO NOT PASS SB 2290

10:18 AM Roll Call Vote DO NOT PASS SB 2290

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Kathy Hogan	A
Senator Randy D. Lemm	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion Passed 5-0-1, DO NOT PASS SB 2290. Senator Luick will carry

10:18 AM Chairman Luick closed committee work on SB 2290

Dave Owen, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2290: Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman) recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2290 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2023 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee
Fort Union Room, State Capitol

SB 2290
2/2/2023

A BILL for an Act to provide an appropriation to the agriculture commissioner for grasslands grazing grants; and to provide an exemption

Video/Audio technical issues. Video not available till 2:34 PM.

2:19 PM Chairman Luick called the committee to order. Senators Hogan, Weston, Weber, Luick, Myrdal, and Lemm present.

Discussion Topics:

- Federal land
- Allocation of funds
- Private land
- Committee action

2:19 PM Senator Kessel, North Dakota State Senator, District 39, provided clarification on the bill, testimony ID # 19944

2:20 PM Doug Goehring, Commissioner, North Dakota Department of Agriculture, provided further clarifying comments, verbally.

2:33 PM Wes Obrigewitch, President, Medora Grazing Association, provided further clarifying comments, testimony ID #19947.

2:50 PM Alan Richard, Member, Medora Grazing Association, clarified for the committee verbally.

2:53 PM Senator Myrdal moved DO PASS SB 2290.

2:53 PM Senator Lemm seconded DO PASS SB 2290.

2:54 PM Senator Myrdal withdrew her motion “DO PASS” and moved RECONSIDER SB 2290.

2:54 PM Senator Lemm seconded RECONSIDER SB 2290.

2:54 PM Roll Call Vote – RECONSIDER SB 2290

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Kathy Hogan	Y
Senator Randy D. Lemm	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 6-0-0 – RECONSIDER SB 2290

2:54 PM Senator Myrdal moved DO PASS SB 2290 AND RE-REFER TO APPROPRIATIONS

2:54 PM Senator Lemm seconded DO PASS SB 2290 AND RE-REFER TO APPROPRIATIONS

2:56 PM Roll Call Vote – DO PASS AND RE-REFER TO APPROPRIATIONS SB 2290

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Kathy Hogan	Y
Senator Randy D. Lemm	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion Passed 6-0-0 -- DO PASS AND RE-REFER TO APPROPRIATIONS SB 2290 Senator Myrdal to carry.

Additional Written Testimony:
Terry Traynor, Assistant Director, NDACo testified neutral #19989

2:56 PM Chairman Luick adjourned the committee work on SB 2290.

Dave Owen, Committee Clerk

NOTE: Committee voted on this bill again on February 3, 2023 at 9:37 AM.

2023 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee
Fort Union Room, State Capitol

SB 2290
2/3/2023

A BILL for an Act to provide an appropriation to the agriculture commissioner for grasslands grazing grants.

9:37 AM Chairman Luick called the committee work to order. Senators Hogan, Weston, Weber, Luick, Myrdal, and Lemm present.

Discussion Topics:

- Committee Action
- Bill Review

9:38 AM Chairman Luick re-opened the vote on SB 2290

9:38 AM Roll Call Vote – DO PASS SB 2290 AND RE-REFER TO APPROPRIATIONS

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Kathy Hogan	Y
Senator Randy D. Lemm	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion Passed. 6-0-0 DO PASS AND RE-REFER TO APPROPRIATIONS SB 2290, Senator Myrdal will carry.

9:38 AM Chairman Luick adjourned the committee work on SB 2290.

Dave Owen, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2290: Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2290 was rereferred to the **Appropriations Committee**. This bill does not affect workforce development.

2023 SENATE APPROPRIATIONS

SB 2290

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2290
2/15/2023

A BILL for an Act to provide an appropriation to the agriculture commissioner for grasslands grazing grants; and to provide an exemption.

9:32 AM Chairman Bekkedahl opened the hearing on SB 2290.

Members present : **Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.**

Discussion Topics:

- Grassland grazing grants
- Matching funds

9:32 AM Senator Dale Patten introduced the bill, no written testimony.

9:47 AM Chairman Bekkedahl closed the hearing.

Kathleen Hall, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations
Rough Rider Room, State Capitol

SB 2290
2/16/2023

A bill for an act to provide an appropriation to the Agriculture Commissioner for grasslands grazing grants; and to provide an exemption.

8:17 AM **Chairman Bekkedahl** opened the meeting. **Senators** Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Mathern, Meyer, Roers, Rust, Schaible, Sorvaag, Vedaa, Wanzek are present.

Discussion Topics:

- Well repurposing and reclamation

8:19 AM **Senator Davison** moved to adopt amendment LC 23.0986.01001.

Senator Wanzek seconded the motion.

Roll call vote.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	N
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	N
Senator Terry M. Wanzek	Y

Motion passed 14-2-0.

Senator Davison moved DO PASS as amended.

Senator Mathern seconded the motion.

Roll call vote.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	N
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 15-1-0.

Senator Wanzek will carry SB 2290.

8:24 AM **Senator Bekkedahl** closed the meeting.

Patricia Lahr on behalf of Carol Thompson, Committee Clerk

Prepared by the Legislative Council staff for
the Senate Appropriations Committee
February 16, 2023

2-16-23
(1-1)

PROPOSED AMENDMENTS TO SENATE BILL NO. 2290

Page 1, line 7, replace "$6,100,000" with "$3,000,000"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2290: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2290 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 7, replace "$6,100,000" with "$3,000,000"

Renumber accordingly

2023 HOUSE AGRICULTURE

SB 2290

2023 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

SB 2290
3/9/2023

A BILL for an Act to provide and appropriation to the agriculture commissioner for grasslands grazing grants; and to provide an exemption.

Chairman Thomas call the meeting to order 10:30 AM

Members present: Chairman Thomas, Vice Chairman Beltz, Representatives Christy, Finley-DeVille, Fisher, Headland, Henderson, Kiefert, Olson, Prichard, Schreiber-Beck, Tveit, VanWinkle.

Discussion Topics:

- Grassland associations
- National Environment Policy Act (NEPA)
- Square Butte conversion well
- Oil well reclamation
- Indefinite permit
- Fire protection
- Forest Service
- Game & Fish

In Favor:
Senator Dale Patten, District 26, Watford City, ND (no written testimony)
Tom Bodine, Deputy Commissioner, ND Department of Agriculture, #23440
Wes Obrigeritch, Medora Grazing Association, (no written testimony)
John Hild, Medora Grazing Association, #23443
Keith Winter, McKenzie County, (no written testimony)

Representative Schreiber-Beck moves a do pass and referred to appropriations.
Representative Fisher seconded.

Roll call vote:

Representatives	Vote
Representative Paul J. Thomas	Y
Representative Mike Beltz	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Craig Headland	Y
Representative Donna Henderson	Y
Representative Dwight Kiefert	Y
Representative SuAnn Olson	Y

Representative Brandon Prichard	N
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	N

Motion passed 11-2-0

Representative Tveit will carry the bill.

Additional written testimony:
Frank Tomac, Sioux County Rancher, President, Cedar River Grazing Association, #23153

Chairman Thomas adjourned the meeting 11:14 AM

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2290, as engrossed: Agriculture Committee (Rep. Thomas, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2290 was rereferred to the **Appropriations Committee**.

2023 HOUSE APPROPRIATIONS

SB 2290

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

SB 2290
3/13/2023

To provide an appropriation to the agriculture commissioner for grasslands grazing grants; and to provide an exemption.

10:58 AM Chairman Vigesaa Called the meeting to order and roll call was taken-

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present Representative Bellew and Representative Pyle

Discussion Topics:

- Environmental Study
- Funding for Program Continuation
- Cost Share from State

Representative Thomas- Explains need to SB 2290, rereferred form the Ag Committee

11:10 AM Chairman Vigesaa Closed the meeting for SB 2290

Risa Berube, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

SB 2290
3/16/2023

BILL for an Act to provide an appropriation to the agriculture commissioner for grasslands grazing grants; and to provide an exemption.

9:43 AM Chairman Vigesaa Called the meeting to order and roll call was taken-

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present Representative Mock

Discussion Topics:

- Amendment
- Committee Action

Representative Kempenich – Language for amendment; leave section 2 with the exception, take out section 1 and the 3 million dollars.

Representative Kempenich- Move to adopt the Amendment.

Representative Brandenburg Second the Motion

Committee Discussion- Committee decides to add to the Agriculture budget.

Representative Kempenich Withdraws his motion.

Representative Brandenburg Withdraws his second.

Representative Kempenich- Move for a Do Not Pass

Representative G. Stemen Second the motion

Committee Discussion

Roll call vote:

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	A
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 22-0-1 Representative Kempenich will carry the bill.

9:50 AM Chairman Vigesaa Closed the meeting for SB 2290

Risa Berube, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2290, as engrossed: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **DO NOT PASS** (22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2290 was placed on the Fourteenth order on the calendar.

TESTIMONY

SB 2290

COMMISSIONER
DOUG GOEHRING

ndda@nd.gov
www.nd.gov/ndda

NORTH DAKOTA
DEPARTMENT OF AGRICULTURE
STATE CAPITOL
600 E BOULEVARD AVE DEPT 602
BISMARCK ND 58505-0020

Testimony of Doug Goehring
Agriculture Commissioner
Senate Agriculture and Veterans affairs
SB 2290
Fort Union Room
01/26/2023

Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee, I am Agriculture Commissioner Doug Goehring. Thank you for the opportunity to appear before the committee. I am here today in support of Senate Bill 2290, which would provide funding for the Grassland Grazing Cost Share Program. The funding would be used for water development, fencing, conservation initiatives, compliance with federal permitting requirements, and projects that enhance wildlife habitat, increasing soil health, and enhancing the health grasslands.

The North Dakota Department of Agriculture is currently administering the cost share program for the 21-23 biennium and has identified that there still exists a significant need for additional funding. Due to the increase in costs, supply chain issues and a lag in the federal governments review process. The bill would also

allow the Department to carry remaining funds in the current appropriation into the 23-25 biennium. I believe the cost share program has been very beneficial and has improved the overall functionality and the health of the grasslands. Again, thank you for letting me address the committee today. This program is important and valuable. I urge a do pass on SB 2290. I would be happy to answer any questions.

Kessel, Greg

From: Linda Svihovec <Linda.Svihovec@ndaco.org>
Sent: Thursday, February 2, 2023 12:07 PM
To: Kessel, Greg; Patten, Dale
Subject: FW: Royalty Lease Payment Breakdown
Attachments: ND Century Code 15.1-27-25.docx; Mineral Royalty Division.pdf

More good stuff from State Auditor's office.

From: Bauer, Ryan P <rypbauer@nd.gov>
Sent: Thursday, February 2, 2023 11:36 AM
To: Linda Svihovec <Linda.Svihovec@ndaco.org>
Subject: Royalty Lease Payment Breakdown

Hi Linda,

Here is some information on the revenue types based on the land type:

ONRR	BLM							
Fund	FUND							
Code	CODE	Distribution		Feds	State	County		
801	05;145003	Public Domain - 50% Fed/State	MLA	52%	24%	24%	033- 255-	thru sta
802	04;141811	100% US Treasury						
806	750;125896.5.3212	Acquired - 75% US Treasury/25% County		75%		25%	256- 284-	direct to
807	72;145000.222.0263	100% Reclamation Fund						
809	67;14X5091	US Fish & Wild Life						
837	50;965090.7615	COE Acquired - 25% US Treasury/75% County	Corp	25%		75%	256- 284-	thru sta
873		rents distributed by lease fund code						

I also attached Century Code which breakdown on Public Domain lease types.

High level breakdown of the numbers for biennium to date(12/31/18).

Let me know if you have further questions,

Thanks,
Ryan

Ryan Bauer, CPA
Oil & Gas Manager
NORTH DAKOTA STATE AUDITOR'S OFFICE

Office of the State Auditor

1600 E. Century Ave Ste 5, Bismarck, ND 58503
Phone: 701.328.2128 **Website:** nd.gov/auditor

MEDORA GRAZING ASSOCIATION
PO Box 108 Medora ND 58645
TEL (701) 623-4336 / FAX (701) 623-4559
mga@midstate.net

31 January 2023

Report on 1st round Grasslands Grazing Grant funding.

To date, **29** projects have been completely installed & finalized (reimbursement has been received from ND Dept. of Ag.). Below amounts refer only to these 29 projects:

- Total project costs: **$881,860**.
- Total project costs shortfall: **$136,848**.
- The average member cost share: **34%**
- No member paid less than 25% cost share & this applied to only **12** projects.
- The remaining **17** projects had member cost share ranging from 59% to 27%.

This funding was used to install the following:

- **109,379** feet of pipeline
- **1** water well
- **22** livestock water tanks
- **19 dams** (cleanouts/repairs/digging new dams)
- **18,125** feet of fence

Allot #201 Tank

Proposed project: The MGA plans to install approximately **10** miles of pipeline off this converted well. This pipeline will feed approximately **18 to 20** more livestock water tanks which will serve **5** different Allotments and **6** different MGA members, with potentially **1** more member added at a later stage. This will provide water to, on average, **1,200 head of cattle**.

The Medora Grazing Association was started back in the thirties, there was not a lot of assistance at that time for the ranching community. You had to do with what you had to keep food on your table and feed your livestock.

We relied on mother nature to grow the grass, fill the water holes for our livestock.

Times have changed and there are programs/ funding for other industries for them to produce products for the state as well as the country. Ranching has been at the bottom of the pile.

With this Bill and funding in the last year has given some light, with shared funding, ranchers are able to improve their places, as well as the state and federal allotments for the cattle, to utilize areas of grass where there has been no water source, by spreading out the water cows and wildlife graze areas not used, which in turn rejuvenates grasses.

Areas that need new fencing to hold the cow on that grass, this in turn will give them a better quality of livestock to sell.

The ability to put in a pipeline and tanks, fences will help the future generations as they build up their operations and cow herds.

One other thing to think about is that these new water sources will also be utilized by bikers, trail riders and hikers, a water source out in the back county around Medora would certainly get utilized by wildlife as well tourist visiting the area. Hunters would also utilize these water sources.

I have experienced many rescues on the Maada Hey trail over the years, many of these rescues were due to dehydration, with these water tanks available on public lands it will benefit these types of incidents from happening as often.

In the event of a grasslands fire, one of these 1200-gallon tanks would fill a slip-on truck two to four times, right there on site.

This water improvement project over the last year has provided a reliable water source to areas that desperately needed improvement. Getting this water to our grazing areas will improve the quality of livestock, the grasslands and help to improve the Forest Service's public lands for future generations. I have meet with several permittees and they feel this is a step forward improving their Ranches.

The Medora Grazing Association is in support of this bill--------- to move forward

Thank you

John Hild

Attachment A
Updated June 2017

The following is a brief response to your questions regarding the management of federal land payments in North Dakota. The State Treasurer's website provides current (and some historical data) about allocations that pass through the State.

Forest Reserve Receipts: This revenue is paid to the State for total distribution to the counties. Although this revenue is to be used for schools and local roads, only one county (McHenry) receives revenue and the amount is so small ($315 in FFY2016), it has been reported that they deposit it into the county general fund.

Taylor-Grazing Act Receipts: This revenue is paid to the State for total distribution based on the number of acres of Taylor Grazing Act land in each county in relation to the total number of acres of such land in the State. Although, state law (NDCC 15.1-27-24) requires the State Treasurer to distribute all of the revenue to the school districts within the county "*on the basis of average daily membership of all students residing in the county*" the funds are actually distributed to the counties and the counties then distribute all of the funds to the various school districts as required by law. Fourteen ND counties received revenue under this program in FFY16 for a statewide total of $6,900. This section of law was moved (but unchanged) in the 2001 Session by HB1045.

Bankhead - Jones Receipts: This revenue is paid by the federal agency directly to the counties. Counties are required to use this revenue for schools and local roads – some counties dedicate the amount to local roads, others have a formula split with the schools. CY2016 receipts totaled $22.2 million for the 9 ND counties involved, although only 4 counties received more than $1 million. (This revenue is derived from 25% of the net revenue the federal agency receives from royalties and tenants on the land, after investments for conservation [dams, stock ponds, etc.])

PILT (Sec. 6902 "Entitlement Land") Payments: This revenue is paid by the federal agency directly to the counties. Counties are allowed to expend this revenue at their own discretion. Most place it in their general fund. The amount disbursed to each county is calculated two different ways, one of which is decreased by "prior year payments" from other public land revenues. (42 Counties received payments totaling $1.5 million in CY2016)

Refuge Revenue Sharing Receipts: This revenue is paid by the federal agency directly to the counties. Counties however are required to further distribute <u>all</u> of the revenue to other political subdivisions. State Law (NDCC 11-27-09.1) requires that 25% of the revenue "*be apportioned among the townships*" and 75% "shall be apportioned among the school districts in which the land taken is located". As several of the counties receiving this revenue have no organized townships, they are allowed to retain the revenue to be used for road purposes within the unorganized townships containing the

federal land. (43 ND counties received $470,000 of this revenue in FFY2016)

Mineral Royalty Payments: All of this revenue is paid directly to the State and deposited into the State General Fund. It was formerly governed by State Law (NDCC 15-40.1-13), which stated, "*Such moneys must be deemed the first moneys withdrawn or expended from the general fund for state school aid purposes*". This was amended by SB2202 in 1999 to gradually shift a portion of the funds to counties. 50% of the total revenue was distributed to counties in 2004 and that percentage has thereafter remained fixed. In CY2016, $13.4 million was distributed to 16, primarily western, counties – although only 3 received in excess of $1 million and about a third of the revenue accrued to McKenzie Co. A major rewrite of the education title of the century code moved the statute governing this distribution to NDCC 15.1-27-25. According to statutes, the "*counties may use any money received under this section only for the planning, construction, and maintenance of public facilities and the provision of public services.*"

Federal Flood Control Payments: Flood control revenue is paid to the State for distribution to the counties in proportion to the area of land acquired by the United States under 33 USC 701(c)(3). This statute requires 75% of the revenue "on account of the leasing of lands acquired by the U.S. for flood control…shall be paid… to the State… to be expended as the state legislature may prescribe…"

This revenue is therefore largely distributed to counties that border the major Missouri River Reservoirs. These moneys are derived from income on federal land holdings in the county. State Law (NDCC 21-6-10) controls the further distribution of this revenue. It directs that 50% go to the school districts "*which have lost land subject to taxation*" because of federal acquisition. It further directs that 25% "must be paid to the county for road purposes to be expended as the county commissioners shall determine" and the "*final quarter must be allocated among the organized townships, if any, which have lost land subject to taxation*". (With the advent of Bakken Formation oil development, these payments increased and then decreased quite dramatically – State Treasurer's website contains county level details.) In CY2016 a total of $1.4 million was distributed to 13 counties, although Mountrail County received almost a million of that.

As you are well aware, our continued concern at the national level is that federal payments are significantly less than the property tax that would otherwise be paid on this land, and this impacts counties, schools, townships, and the State as a whole.

If I can be of additional assistance, please let me know.

Sincerely,
Terry Traynor, NDACo Assistant Director

Chairman Thomas and members of the House Ag Committee,

I am Frank Tomac, rancher in Sioux County and President of the Cedar River Grazing Association, (CRGA).

The CRGA works in conjunction with the US Forest Service in managing the Cedar River National Grasslands. The Cedar River National Grasslands encompasses just over 6500 acres mostly in Sioux County with 480 acres in Grant County.

Part of the CRGA grazing fees goes towards Conservation Practices (CP's). We have such a small organization we cannot generate enough CP funds in one year to do any projects. With the help of the 2021 Legislature, we were able to initiate a lot of past due projects. However due to the speed of the Forest Service and the US Dept of Agriculture, we are unable to complete those projects and need an extension.

In addition, with more projects on the table, CRGA is asking for more money to impliment more projects for permit holders that missed out on the first moneys.
These money's and projects are not wasted and benefit not only the permit holders, but also the wildlife and the public visitors for hunting and recreation.

I ask for a do-pass recommendation for SB 2290.

Thank You,

Frank Tomac
President of Cedar River Grazing Association
9999 57th Ave SW
Watauga, SD 57660
(H) 701-522-3430
(C) 701-426-5015
fktomac@gmail.com

COMMISSIONER
DOUG GOEHRING

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NORTH DAKOTA
DEPARTMENT OF AGRICULTURE
STATE CAPITOL
600 E BOULEVARD AVE DEPT 602
BISMARCK ND 58505-0020

Testimony of Tom Bodine
Deputy Agriculture Commissioner
House Agriculture
SB 2290
Room 327 C
03/09/2023

Chairman Thomas and members of the House Agriculture Committee, I am Tom Bodine Deputy Agriculture Commissioner, here on behalf of Agriculture Commissioner Doug Goehring. Thank you for the opportunity to appear before the committee. I am here today in support of Senate Bill 2290, which would provide funding for the Grassland Grazing Cost Share Program. The funding would be used for water development, fencing, conservation initiatives, compliance with federal permitting requirements, and projects that enhance wildlife habitat, increasing soil health, and enhancing the health grasslands.

The North Dakota Department of Agriculture is currently administering the cost share program for the 21-23 biennium and has identified that there still exists a significant need for additional funding. Due to the increase in costs, supply chain issues and a lag in the federal government's review process. The bill would also

allow the Department to carry remaining funds in the current appropriation into the 23-25 biennium. I believe the cost share program has been very beneficial and has improved the overall functionality and the health of the grasslands. Again, thank you for letting me address the committee today. This program is important and valuable. I urge a do pass on SB 2290. I would be happy to answer any questions.

The Medora Grazing Association was started back in the thirties, there was not a lot of assistance at that time for the ranching community. You had to do with what you had to keep food on your table and feed your livestock.

We relied on mother nature to grow the grass, fill the water holes for our livestock.

Times have changed and there are programs/ funding for other industries for them to produce products for the state as well as the country. Ranching has been at the bottom of the pile.

With this Bill and funding in the last year has given some light, with shared funding, ranchers are able to improve their places, as well as the state and federal allotments for the cattle, to utilize areas of grass where there has been no water source, by spreading out the water cows and wildlife graze areas not used, which in turn rejuvenates grasses.

Areas that need new fencing to hold the cow on that grass, this in turn will give them a better quality of livestock to sell.

The ability to put in a pipeline and tanks, fences will help the future generations as they build up their operations and cow herds.

One other thing to think about is that these new water sources will also be utilized by bikers, trail riders and hikers, a water source out in the back county around Medora would certainly get utilized by wildlife as well tourist visiting the area. Hunters would also utilize these water sources.

I have experienced many rescues on the Maada Hey trail over the years, many of these rescues were due to dehydration, with these water tanks available on public lands it will benefit these types of incidents from happening as often.

In the event of a grasslands fire, one of these 1200-gallon tanks would fill a slip-on truck two to four times, right there on site.

This water improvement project over the last year has provided a reliable water source to areas that desperately needed improvement. Getting this water to our grazing areas will improve the quality of livestock, the grasslands and help to improve the Forest Service's public lands for future generations. I have meet with several permittees and they feel this is a step forward improving their Ranches.

The Medora Grazing Association is in support of this bill--------- to move forward

Thank you

John Hild