

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2319

2001 SENATE NATURAL RESOURCES

SB 2319

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2319

Senate Natural Resources Committee

Conference Committee

Hearing Date 2-2-01

Tape Number	Side A	Side B	Meter #
1	X		38.5 - end
		X	Start - 41.6
2-9-01 1	X		12.1 - 21.2
Committee Clerk Signature <i>Jane Gannon</i>			

Minutes:

SENATOR FISCHER opened the hearing on SB 2319, A BILL RELATING TO DURATION OF EASEMENTS.

SENATOR JEROME KELSH of District 26 cosponsor of SB 2319 testified that some of his constituents feel as landowners some of their property rights have been violated because restrictions and is not so sure the state has the right to govern landowners and who they can sell easements or land to.

JEFF NELSON, Director of Operations of the Great Plains Regional Office of Ducks Unlimited testified in support of SB 2319. (See attached testimony including map of Considered Grassland Easement Purchases).

SENATOR CHRISTMANN asked about the restrictions of the easements.

JEFF NELSON answered that the easements that are being purchased right now by the US Fish & Wildlife Department which the Ducks Unlimited are funding are limited to turnover of sod.

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Burning of the grasslands, haying after July 15th and the using of pesticides are allowed in close coordination with Fish & Wildlife.

SENATOR TRAYNOR asked what the role the US Fish & Wildlife played in the activity of the Ducks Unlimited involved with.

JEFF NELSON answered that the role played by the US Fish & Wildlife is one to purchase from willing sellers permanent grassland easements in conjunction with some of their wetlands easements only on native prairie. Ducks Unlimited role is to work with the landowner and also secure funding for the purchase.

SENATOR TIM MATHERN of District 11 cosponsor of the bill testified and suggested another concept to be added to the bill that the preferment easement would be available in the situation of flood litigation. He thought the option might strengthen the bill.

BILL PFEIFER speaking on behalf of the North Dakota Chapter of the Wildlife Society testified in support of SB 2319 (See attached testimony).

DAVID BORLAUS, President of the North Dakota Lewis & Clark Bicentennial Foundation and the President of the National Council Lewis & Clark Bicentennial testified in support of SB 2319. He added that we want a legacy for the future.

TRACY POTTER, of the Fort Lincoln State Park testified in support of the bill with the same reasons as earlier of SB 2266, to preserve the landscape of North Dakota.

SENATOR TRAYNOR: asked how the easement values were decided.

JEFFRY NELSON explained that easements are valued through certified appraisers, who value the property first with a full set of rights and then value the property absent the those rights that are going to be purchased the difference then becoming the inner market offer made to the land

owner. The percentage is running about 25% to 30% easement value is to the full value of the property.

SENATOR TOLLEFSON: asked about the effect the easements would have the taxable evaluation of the property.

JOE SATROM explained because that taxation is figured on productivity of the land and that these easements are being purchased on native grasslands only it would not effect the taxable value.

Written testimony was presented to the committee from MIKE DONAHUE, representing the North Dakota Wildlife Federation (See attached testimony).

There was no neutral testimony given on SB 2319.

ERIC AASUMDSTAD, president of the North Dakota Farm Bureau testified in opposition of SB 2319 (See attached testimony).

WES TOSSETT presented written testimony on behalf of Dennis Miller president of Land Owners Association of North Dakota (See attached testimony). He personally testified that maybe there should be a generational easement verses a perpetual easement.

ROGER BRANING, testified on his own behalf and felt the people of the right and left of the map he used would be cut off from each other.

SENATOR FISCHER closed the hearing on SB 2319.

FEBRUARY 9, 2001

SENATOR FISCHER reopened the discussion on SB 2319.

2-9-01

SENATOR TRAYNOR suggested that SB 2388 that is scheduled for hearing next week would be a much better Bill than SB 2319 and it's sister bill, SB 2266. The SB 2388 would be more farmer friendly.

Discussion was held in regard to the testimony of farm organizations and their views of the bills.

SENATOR TRAYNOR made a motion for a "DO NOT PASS" of SB 2319.

SENATOR TOLLEFSON second the motion.

SENATOR FISCHER called for a roll vote. The vote indicated 6 YAYS, 1 NAY, 0 ABSENT OR NOT VOTING.

SENATOR TOLLEFSON will carry SB 2319.

Date: 2-9-01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2319

Senate NATURAL RESOURCES Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Traynor Seconded By Tollefson

Senators	Yes	No	Senators	Yes	No
Sen. Thomas Fischer, Chairman	✓		Sen. Michael A. Every	✓	
Sen. Ben Tollefson, Vice Chair.	✓		Sen. Jerome Kelsh		✓
Sen. Randel Christmann	✓				
Sen. Layton Freborg	✓				
Sen. John T. Traynor	✓				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Tollefson

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

REPORT OF STANDING COMMITTEE (410)
February 9, 2001 2:11 p.m.

Module No: SR-24-2896
Carrier: Tollefson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2319: Natural Resources Committee (Sen. Fischer, Chairman) recommends DO NOT PASS (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2319 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2319

Senate Natural Resources Committee
Senate Bill 2319

Jeff Nelson, Director of Operations
Great Plains Regional Office - Ducks Unlimited, Inc.
Friday, February 2, 2001

Good Morning, Chairman Fisher and Members of the Senate Natural Resources Committee! My name is Jeff Nelson and I am Director of Operations for the Great Plains Office of Ducks Unlimited. Ducks Unlimited is an international conservation organization with our main office in Memphis, TN. Bismarck is home to one of four regional offices, the others being in Sacramento, CA, Jackson, MS, and Ann Arbor, MI. Our region encompasses eight states in the north-central part of our country. We have more than 8,600 members in North Dakota.

The mission of Ducks Unlimited is to fulfill the needs of North American waterfowl by protecting, enhancing, restoring and managing important wetlands and associated uplands up and down the flyways. We are unique in that our most critical work is with private landowners and in that a major part of our strength lies in our grassroots network of nearly 750,000 supporters, mostly from smaller cities and rural areas.

Ducks Unlimited has more than doubled its commitment to this part of the country over the past 5 years. More than 45 employees now reside here in Bismarck-Mandan and we've recently completed a new \$3M office expansion. I am frequently asked why DU has made such a commitment to ND. The simple answer is that North Dakota is ground zero for duck production in North America. To work effectively, we needed to be part of the community. The organization funnels more than \$12 million dollars annually through our office for work in our region.

Senate Bill 2319 seeks to authorize permanent easements on the Missouri Coteau. Today, the Fish and Wildlife Service, with funding from various sources, is acquiring permanent grassland easements on native prairie in this area, on a voluntary basis, from willing sellers. Current state law makes this the only permanent easement option for ranchers. Should this bill pass, options for ranchers to partner in conservation with others, seeking to pay for permanent ranchland protection, would become available.

North Dakota has a great deal to offer waterfowl. Ducks are attracted to water and their nesting success, we now know from research, depends on the amount of grassland cover. Research and better technology now help us design and deliver appropriate conservation programs for key areas in the state. Science tells us that there is no place more critical to us than the Missouri Coteau. This rocky, hilly terrain is the "best-of-the-best" landscape for ducks on the North American continent.

Fortunately, most of this land is owned by ranchers, people valuing the same characteristics as we do; grass and water. Recognizing a win-win, "Grasslands for Tomorrow", a \$120 million DU conservation initiative, was developed to protect the

grassland and wetland habitat of the Missouri Coteau in the Dakotas by working with those living on the land. Conservation easements are an ideal means by which to protect these lands because ranchers sell only rights not needed for their cattle operations, thereby realizing cash flow for a variety of related purposes. Permanent easements mean that the land will remain in private ownership, continue to be used for animal based agriculture, and be maintained on the local property tax roles. This is a real win-win approach.

When a grassland easement is sold, two rights are being bought from landowners: (1) the right to cultivate grasslands, and (2) the right to cut hay before July 15th. All other rights remain with the owner. Pastureland is protected for future generations, soil erosion is prevented, and families remain on the land. Moreover, a permanent partnership is established between fellow conservationists, the ranchers and us. Hundreds have lined up already for this program.

I am sure that you, as legislators, are probably most interested in why we think a major conservation initiative involving permanent conservation easements is good public policy. I believe maintaining critical natural and agricultural assets are important elements in the economic development of North Dakota. Grassland is as important to a diversified agricultural economy as productive cropland or value-added processing. The Missouri Coteau is probably the best cattle and grass based agricultural area of North Dakota. Relatively good precipitation, the rolling topography and abundant wetlands of this unique region combine to form a critical part of the State's cattle industry. While prices for many crops remain stagnant, requiring billions in support recently, the cattle industry remains largely self-reliant, showing steady improvements in profitability over time. Neither DU nor the cattlemen want to lose the basis for this economic asset, and neither should policy-makers. Once the native grassland is broken, it's gone forever. Restoration is never complete and is usually cost-prohibitive.

Grassland easements provide a 25-30% return to landowners. Hundreds of ranchers are finding this program valuable and flexible. It has helped them expand their herds, reduce their debt, educate their children, and plan a more secure retirement. At the same time, some ranchers are telling us that they are selling grassland easements because they feel strongly that their grasslands "should never be broken" or "easements will help our family protect our ranching lifestyle". Opinions solidify when they see a neighbor's pasture go from native rangeland to cropland, to blowing dirt and sparse crops, and then into weedy CRP or monotypic brome fields. Most make the decision to sell an easement only after long consideration, usually in consultation with their children.

When land under easement sells for the same price as pasture that could be broken, easements begin to be viewed as an opportunity by those in the cattle business. New or expanding ranchers have used easement payments to secure financing from lenders, who've also begun to note the lack of impact on value.

We believe that the broad-based landowner interest in grassland easements is understandable from a number of other perspectives:

- Farmers and ranchers are concerned about their rural communities and grassland-based agriculture is good for local communities since ranchers live and work on their ranches throughout the entire year,
- Ranchers recognize the right to sell their property, whether easements or in fee, whether for 99 years or in perpetuity,
- Landowners are beginning to see the impact of maintaining their property in native prairie for other economic reasons. Eco-tourism is beginning to take root and they understand that their property is the basis for the tremendous game populations enjoyed by hunters each fall.
- Most take pride in their ability to make a living without destroying the resource that has supported their families, often since their ancestors homesteaded the area. They'd like future generations to do the same. Many also simply enjoy the natural amenities of native prairie themselves, whether diverse wildlife, prairie flowers, or the quiet and open space.

We believe SB 2319 offers our State and agricultural producers on the Missouri Coteau another choice that may be important to them economically or for other reasons. Passage would help keep the last stronghold of grass-based agriculture east of the Missouri River intact while maintaining ownership and management in the private sector. At the same time, critical natural resources could be safe guarded for future generations of ranchers, hunters, and other conservationists who count these areas as one of the great things about our state. We respectfully ask your support of this important legislation. I would be happy to answer questions concerning my testimony.

