

2023 HOUSE AGRICULTURE

HB 1437

2023 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee Room JW327C, State Capitol

HB 1437
1/26/2023

Relating to the creation of regional livestock planning grants; and to provide for an appropriation.

Chairman Thomas call the meeting to order at 8:30 AM

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

Discussion Topics:

- Counties and townships
- Privacy concerns
- Local control

In favor:

Representative Mike Beltz, District 20, Primary bill sponsor, Scanned map #17196
Nancy Johnson, Executive Director, ND Soybean Growers Association, #16935
Larry Syverson, ND Township Officers Association (no written testimony)
Matt Perdue, ND Farmer's Union, #16984, #16985
Paul Kostboth, Managing Partner, A1 Development Solutions (no written testimony)
Julie Ellingson, ND Stockman's Association, #17195
Samantha Vangness, Executive Director, ND Ethanol Producers Association, #17039
Brenda Elmer, Executive Director, ND Corn Growers Association, #17028

Opposed:

Scott Shively, Towner ND, #17198
Sam Wagner, Ag and Food Field Organizer, Dakota Resource Council, #16955

Representative Christy moved Do Pass and refer to Appropriations.
Representative Schreiber-Beck seconded.

Roll call vote:

Representatives	Vote
Representative Paul J. Thomas	Y
Representative Mike Beltz	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVilleville	AB
Representative Jay Fisher	Y
Representative Craig Headland	AB
Representative Donna Henderson	N

Representative Dwight Kiefert	Y
Representative SuAnn Olson	Y
Representative Brandon Prichard	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	AB
Representative Lori VanWinkle	N

Motion passed 8-2-3

Representative Beltz will carry the bill.

Additional written testimony:

James Murphy, Executive Director, Traill County Economic Development Commission, #15691

Teran Doerr, Executive Director of Bowman County Development, #16940

Chairman Thomas adjourned the meeting at 9:09 AM

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1437: Agriculture Committee (Rep. Thomas, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (8 YEAS, 2 NAYS, 3 ABSENT AND NOT VOTING). HB 1437 was rereferred to the **Appropriations Committee**.

2023 HOUSE APPROPRIATIONS

HB 1437

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

HB 1437
2/14/2023

Relating to the creation of regional livestock planning grants
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4:30 PM 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 Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present- Representative Bellew

Discussion Topics:

- Reginal Livestock Planning Program
- Rural Development Sight Analysis
- Zone Land Use Regulations
- Animal Agriculture Areas

Representative Thomas- Introduces the bill, oral testimony in favor.

Chairman Vigesaa- Closed the meeting for HB 1437 @ 4:42 PM

Risa Berube, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1437
2/16/2023

Relating to the creation of regional livestock planning grants; and to provide for an appropriation.
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4:38 PM Chairman Vigesaa- Opened the meeting and roll was taken-

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

Members not Present- Representative Kempenich, Representative O'Brien and Representative Nathe

Discussion Topics:

- Included in Similar Bills HB 1276 & HB 1148

Representative Brandenburg- Asks for a little more time, to review possible amendments to work these bills together.

4:41 PM Chairman Vigesaa- Closes the meeting for HB 1437

Risa Berube, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1437
2/20/2023

Relating to the creation of regional livestock planning grants; and to provide for an appropriation.
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5:20 PM Chairman Vigesaa- Called the meeting to order and roll was taken-

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, 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 Bellew and Representative Meier

Discussion Topics:

- amendments

Representative Brandenburg- Introduces his amendment 23.0592.03001 (#21191)

Representative Brandenburg moves to adopt the Amendment 23.0592.03001 (#21191)

Representative J. Stemen seconded the motion.

Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	AB
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	AB
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
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 21-0-2

Representative Brandenburg moves Do Pass As Amended on HB 1437

Representative Monson seconded the motion.

Roll Call Vote Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	AB
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	AB
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
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	N
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 20-1-2 Representative Brandenburg will carry the bill.

5:27 PM Chairman Vigesaa – Closes the meeting for HB 1437

Risa Berube, Committee Clerk

24
2/20/23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1437

Page 1, line 1, replace "54-60" with "4.1-01"

Page 1, remove lines 5 through 24

Page 2, replace lines 1 through 7 with:

"SECTION 1. A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:

Regional livestock development and planning program - Grants.

1. The commissioner shall administer a grant program to assist counties and regional planning councils, as defined in chapter 54-40.1, for livestock development planning. A county or a regional planning council may submit an application for assistance under this section to the commissioner.
2. The commissioner shall award grants to counties and regional planning councils for purposes of coordinating strategic planning and accommodating and encouraging investment in livestock production. Grants shall be awarded for the following activities:
 - a. Identification of suitable locations for rural economic development, including confined animal feeding operations, agricultural processing and storage facilities, and other agricultural-related development. The following factors must be considered when identifying suitable locations for rural economic development:
 - (1) Local zoning and land use regulations;
 - (2) State permitting requirements; and
 - (3) Availability of infrastructure and natural resources necessary to accommodate rural economic development projects.
 - b. Review and updating of township zoning and land use regulations.
3. Grants awarded under this section may not exceed:
 - a. Up to eight thousand dollars for every county included in an application for activities described in subdivision a of subsection 2.
 - b. Up to five hundred dollars for every township included in an application for activities described in subdivision b of subsection 2.
4. Any information created, collected, or maintained by the commissioner which identifies individual parcels of land for rural economic development is confidential and not subject to the open records requirements of section 44-04-18."

Page 2, line 8, replace "DEPARTMENT OF COMMERCE" with "AGRICULTURE COMMISSIONER"

Page 2, line 11, replace "\$1,210,000" with "\$600,000"

Page 2, line 11, replace "department of commerce" with "agriculture commissioner"

Renumber accordingly

PA
2/20/23

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Replaces a section creating a new section in Chapter 54-60 related to the Department of Commerce and instead creates a new section in Chapter 4.1-01 related to the Agriculture Commissioner;
- Reduces the appropriation for the regional livestock develop and planning grant program from \$1,210,000 to \$600,000 and appropriates the funding to the Agriculture Commissioner instead of the Department of Commerce; and
- Changes the maximum amount of grants available to counties under the program from \$12,000 to \$8,000.

REPORT OF STANDING COMMITTEE

HB 1437: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). HB 1437 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "54-60" with "4.1-01"

Page 1, remove lines 5 through 24

Page 2, replace lines 1 through 7 with:

"SECTION 1. A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:

Regional livestock development and planning program - Grants.

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 - (2) State permitting requirements; and
 - (3) Availability of infrastructure and natural resources necessary to accommodate rural economic development projects.
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 - a. Up to eight thousand dollars for every county included in an application for activities described in subdivision a of subsection 2.
 - b. Up to five hundred dollars for every township included in an application for activities described in subdivision b of subsection 2.
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Page 2, line 11, replace "\$1,210,000" with "\$600,000"

Page 2, line 11, replace "department of commerce" with "agriculture commissioner"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Replaces a section creating a new section in Chapter 54-60 related to the Department of Commerce and instead creates a new section in Chapter 4.1-01 related to the Agriculture Commissioner;
- Reduces the appropriation for the regional livestock develop and planning grant program from \$1,210,000 to \$600,000 and appropriates the funding to the Agriculture Commissioner instead of the Department of Commerce; and
- Changes the maximum amount of grants available to counties under the program from \$12,000 to \$8,000.

2023 SENATE AGRICULTURE AND VETERANS AFFAIRS

HB 1437

2023 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1437
3/17/2023

A bill relating to the creation of regional livestock planning grants; and to provide for an appropriation.

10:30 AM Chairman Luick called the meeting to order. Members present; Chairman Luick, Vice Chairman Myrdal, Senator Lemm, Senator Hogan, Senator Weston, Senator Weber.

Discussion Topics:

- Local zoning
- Rural economic development
- Animal agriculture
- Livestock planning grants
- Environment and Rangeland Protection Fund
- Natural fertilizer

10:30 AM Representative Beltz, District 20, introduced HB 1437 along with a proposed amendment to HB 1437 and testified in favor. #25703

10:42 AM Tom Bodine, Deputy, North Dakota Agriculture Commissioner, testified in favor of HB 1437. #25705

10:58 AM Phil Murphy, Lobbist, introduced Nancy Johnson.

10:59 AM Nancy Johnson, Executive Director, Soybean Growers, testified via video in favor of HB 1437. #25618

11:04 AM Matt Purdue, Government Relations Director at ND Farmers Union, testified in support and introduced Paul Kostboth. #25657, #25658

11:09 AM Paul Kostboth, served as Director of Agriculture Development for South Dakota, verbally testified in favor of HB 1437.

11:15 AM Julie Ellingson, North Dakota Livestock Association, verbally testified in favor of HB 1437.

11:17 AM Brenda Elmer, Executive Director, North Dakota Corn Growers Association, testified in favor of HB 1437 in support of the Stockmen's Association amendment to HB 1437. #25707

11:20 AM Dana Hager, Executive Director, Economic Development Association, testified in favor of HB 1437. #25715

11:22 AM Samantha Vangsness, Executive Director, North Dakota Ethanol Producers Association, testified in favor of HB 1437. #25660

11:23 AM Aaron Birst, Executive Director, North Dakota Association of Counties, testified in favor of HB 1437. No written testimony.

11:25 AM Pete Hanebutt, Director of Public Policy, North Dakota Farm Bureau, testified in favor of HB 1437. No written testimony.

11:33 AM Larry Syverson, Executive Secretary, ND Township Officer's Assn, testified in favor of 1437. No written testimony.

11:34 AM Sam Wagner, Ag and Food Field Organizer, North Dakota Resource Council, testified in opposition to HB 1437. #25622

11:48 Chairman Luick closed the hearing on HB 1437

Brenda Cook, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee Fort Union Room, State Capitol

HB1437
3/23/2023

A bill relating to the creation of regional livestock planning grants: and to provide for an appropriation.

3:21 PM Chairman Luick opened the hearing on HB 1437. Members present: Chairman Luick, Vice Chairman Myrdal, Senator Lemm, Senator Klein, Senator Boehm.

Discussion Topics:

- Amendments
- Committee action

3:21 PM Committee discussion.

3:33 PM Chairman Luick recessed.

3:36 PM Chairman Luick reconvened.

3:36 PM Senator Lemm moved to adopt amendment LC23.0592.04002 (26941).

3:36 PM Senator Weston seconded the motion.

Roll call vote:

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

Vote: 6-0-0 Motion DO PASS TO ADOPT THE AMENDMENT

3:36 PM Senator Myrdal moved DO PASS AS AMENDED and RE-REFER TO APPROPRIATIONS.

Roll call vote:

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

Vote: 6-0-0-Motion DO PASS AS AMENDED AND RE-REFER TO APPROPREATIONS

Senator Weston will carry the bill.

3:41 PM Chairman Luick closed the meeting.

Brenda Cook, Committee Clerk

23.0592.04002
Title.05000

Adopted by the Senate Agriculture and
Veterans Affairs Committee
March 23, 2023

24
3-23-23

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1437

Page 1, line 16, remove "confined"

Page 2, line 1, replace "eight" with "twelve"

Page 2, line 8, after "**APPROPRIATION**" insert "**- ENVIRONMENT AND RANGELAND
PROTECTION FUND**"

Page 2, line 10, replace "general fund" with "environment and rangeland protection fund"

Page 2, line 11, replace "\$600,000," with "\$1,200,000"

Page 2, line 12, remove "confined"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1437, as engrossed: Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1437 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 16, remove "confined"

Page 2, line 1, replace "eight" with "twelve"

Page 2, line 8, after "**APPROPRIATION**" insert "**- ENVIRONMENT AND RANGELAND PROTECTION FUND**"

Page 2, line 10, replace "general fund" with "environment and rangeland protection fund"

Page 2, line 11, replace "\$600,000," with "\$1,200,000"

Page 2, line 12, remove "confined"

Renumber accordingly

2023 SENATE APPROPRIATIONS

HB 1437

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1437
4/3/2023 AM

A bill relating to the creation of regional livestock planning grants; and to provide for an appropriation.

9:51 AM Chairman Wanzek opened the meeting.
Senators Wanzek, Dwyer, J. Roers, Vedaa, and Erbele were present.

Discussion Topics:

- Planning assistance
- Zoning ordinances
- Enterprise Research Planning (ERP) Fund
- County or political subdivision
- Grant maximum
- Cotington County SD
- Public trust

9:52 AM Matt Perdue, Lobbyist #929, Testified on behalf of ND Farmers Union.
(No written testimony)

10:03 AM Larry Syverson, ND Township Officers Association, testified.
(No written testimony)

10:04 AM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1437
4/3/2023 PM

A bill for an act, relating to the creation of regional livestock planning grants; and to provide for an appropriation.

3:41 PM Chairman Wanzek opened the meeting.
Senators Wanzek, Dwyer, J. Roers, Vedaa, and Erbele are present.

Discussion Topics:

- Environmental Rangeland Protection (ERP) Fund
- State-wide zoning parameters
- County and township personnel education

3:45 PM Stephanie Johnson, Office of Management and Budget Fiscal Management Analyst, testified. (No written testimony)

3:49 PM Senator Dwyer moved a Do Pass recommendation for HB 1437.
Senator Erbele seconded the motion.

Roll call vote.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed 5-0-0

Senator Erbele will carry this bill.

3:51 PM Chairman Wanzek closed the meeting

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1437
4/4/2023

Relating to the creation of regional livestock planning grants; and to provide for an appropriation.
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10:49 AM Senator Bekkedahl opened the meeting.

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

Discussion Topics:

- On-going fund
- Collection amount
- Committee action

10:49 AM Senator Erbele introduced the bill verbally.

10:53 AM Senator Erbele moved DO PASS. Senator Davison seconded.

10:55 AM Adam Mathiak, Senior Fiscal Analyst, Legislative Council, provided information. No written information.

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	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed. 16-0-0

Senator Weston will carry the bill.

11:03 AM Senator Bekkedahl closed the meeting.

Justin Boone on behalf of Kathleen Hall, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1437, as engrossed and amended: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1437, as amended, was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

TESTIMONY

HB 1437

TRAILL COUNTY ECONOMIC DEVELOPMENT

WE KNOW BUSINESS 

January 23, 2023

Representative Thomas, Chair
House Agriculture Committee
ND Capitol Building
Bismarck, ND 50504

Representative Thomas and House Agriculture Committee,

I am writing this in support of House Bill 1437.

Trails County is currently having an infrastructure study done provided through our partnership with the North Dakota Livestock Alliance. We were approached to be part of a pilot project several months ago. They in turn contracted with a firm to do the actual legwork – collecting resources, conducting research, and gathering and generating reports – that an organization like ours would have very little chance of accomplishing on our own.

The vision behind all this planning and organization, of course, is to have site-ready land identified if and when a company would choose North Dakota for its next location. Being able to quickly discern the ideal land for transportation, power, water, proximity to other locations, etc. is a competitive advantage I know our neighbors in South Dakota currently have.

Having these resources available quickly is absolutely a key component of attracting new companies to our region and state. Additionally, having this resource available will be great a tool to attract other types of businesses because these same types of variables are important to a variety of other types of projects, as well.

If you have questions or concerns you can contact me via email: (director@trailcountyedc.com), on my office phone at (701) 636-4746 or even on my cell at (701) 430-1644.

Sincerely,



Jim Murphy
Executive Director,
Traill County Economic Development Commission



January 26, 2023

The Honorable Paul J. Thomas
Chairman, Agriculture Committee
North Dakota House
North Dakota State Capitol
600 East Boulevard Ave.
Bismarck, ND 58505

Re: HB1437, a bill for an act to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to the creation of regional livestock planning grants; and to provide for an appropriation.

Chairman Thomas and Members of the House Agriculture Committee:

For the record, I am Nancy Johnson, executive director serving the North Dakota Soybean Growers Association. I thank you for this opportunity to provide virtual testimony on HB1437.

The Soybean Growers Association is the advocacy arm of the soybean industry, representing the more than 8,900 operations in the state. According to the December 2022 Agriculture Economic Contribution Study, the industry has \$4.5 billion in gross business volume, \$4.2 billion from soybean production, \$0.3 billion from commodity handling, transportation, and processing.

Our long-held dream of increasing the processing contribution has come true and the first of potentially several crush plants will go online this fall. We'll go from exporting more than 90 percent of our crop as whole beans to crushing about 25 percent of the crop in state. That's how we got to this program of planning grants.

The association board determined that the number 1 goal of our current strategic plan is that **Interested entities begin executing an agreed upon plan to expand animal agriculture in North Dakota**. Our interest is based on the anticipated production of high-quality soybean meal as animal feed at the soybean crush plants.

So, a year ago, we invited other interested ag and industry groups to convene on the subject. We quickly found that we needed to know what we didn't know and had research conducted to determine how we could make some immediate impact. From that came a plan for start with zoning.

As you may be aware, the model zoning ordinances related to animal agriculture and put in statute by the 66th Legislative Session haven't been adopted by most townships and counties. Many of our current and past board members are on township boards. In checking with them, they knew zoning should be updated but had been consumed by flooded roads, FEMA, finding gravel or removing snow from a record 11 blizzards on 47,000 miles of roads. There was no ill intent.

A quick check of zoning posted on the DEQ website confirmed that the people we talked to weren't unique. Some of the ordinances we looked at thanked the Red River Regional Council for their help in the most recent update. The plan was coming together.

It became clear that, without adding another bureaucracy, we could create an easy button for the townships to work once again with the councils who already work with Commerce on many programs. When I was chatting with Dawn Mandt of the Red River Regional Council, who spoke to this group two weeks ago, she outlined a simple process to help get these import ordinances updated in a routine manner. While meeting with Commerce, there was agreement that the process could work.

Once the zoning is updated, GIS technology can be effectively used to help determine the optimum locations for animal agriculture and other rural economic development opportunities. A great first step.

Thank you for this opportunity to provide testimony on HB1437. I hope my comments are of value in your decision-making. I stand ready to answer any questions that you may have.

Respectfully Submitted,

Nancy Johnson
Executive Director
North Dakota Soybean Growers Association



Testimony of Teran Doerr
Economic Development Association of North Dakota
In Support of HB 1437
Jan. 26, 2023

Chairman Thomas and members of the House Agriculture Committee:

My name is Teran Doerr, executive director of Bowman County Development Corporation and current president of the Economic Development Association of North Dakota (EDND). EDND represents more than 80 state economic development organizations and businesses on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to promote the creation of new wealth throughout North Dakota, develop more vibrant communities and improve quality of life. I want to express our support for HB 1437.

EDND places value in expanding economic diversification to strengthen and support our communities. North Dakota's long-term future depends on healthy and vibrant communities full of opportunity, innovation, and effective tools to attract growth.

HB 1437 is an economic development tool to conduct rural site analysis opportunities throughout the state. This valuable research-based information will help economic developers and community leaders make well-informed decisions to support local development and planning initiatives for communities of all sizes. The rural development tool outlined in this bill will assist many communities in taking a critical inventory of their resources to attract businesses and growth. Many would not have the means to gather this information on their own.

Thank you for the opportunity to express our support for HB 1437 and for your continued commitment to ensuring North Dakota communities thrive.

Testimony HB1437

Sam Wagner
Ag and Food Field Organizer
Dakota Resource Council
1720 Burnt Boat Dr. Ste 104
Bismarck ND 58503
Testimony in Opposition for HB 1437

To the Honorable Chairman and the members of the Committee We submit these remarks on behalf of DRC.

Mr Chairman,

We would like to offer testimony in opposition of HB1437 because this is a good example of overreach by a state government. This bill will allow for the state to come into townships and counties and force them to write zoning laws that will harm their communities by not allowing them to have local control over CAFOs and value-added agricultural development.

This bill appears to be a reaction to opposition to projects that occurred at the local level. It is not the state's role to tell local governments how to govern and provide them money in exchange for compliance with a prescriptive set of laws. By passing this law you will be saying that you (the legislature) do not trust townships and counties to make zoning decisions around certain projects. The same governments that govern many of your homes and farmsteads. Economic development historically sides with business and never with the communities that businesses will hurt, which is why it is especially important for townships and counties to have local control and autonomy.

In the realm of animal agriculture I want to remind the members of the committee that North Dakota law prohibits any township from asking a company that comes to their community to regulate their air or water pollution that comes from their business. It prohibits a township from making a company pay for the roads that their farm would damage. It also prohibits getting paid any money from the company in licensing fees that could be used by the community. Animal agriculture can be done responsibly but this law is going to be more asking townships and counties to give up their autonomy for 30 pieces of silver, i mean 12,000 dollars.

We urge you to vote DO NOT PASS.



Contact:

Matt Perdue, Lobbyist

mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
House Agriculture Committee
January 26, 2023**

Chairman Thomas and members of the committee,

Thank you for the opportunity to testify in support of House Bill No. 1437. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's members.

HB 1437 establishes regional livestock planning grants. This opt-in, voluntary program provides grants to regional planning councils or counties for two purposes:

1. To fund rural development site analyses; and
2. To assist townships in reviewing and updating zoning and land use regulations.

The rural development site analysis provides leaders with information and resources to support well-informed decisions regarding economic development opportunities. Specifically, the analysis helps counties identify sites suitable for livestock and other value-added agriculture development. An example of a completed site analysis is attached to my testimony.

The rural development site analysis was completed in roughly 90 percent of South Dakota counties. Currently, two pilots of the analysis are being conducted in Traill and Ransom counties in North Dakota.

The legislation also provides regional planning councils or counties funding to help townships review and update their zoning requirements. This technical assistance provides townships with the resources they need to make well-informed zoning decisions.

The regional livestock planning program would provide regional planning councils or counties with up to \$12,000 per county to complete the rural development site analysis. This amount is equal to the cost of the ongoing pilots in Ransom and Traill counties. HB 1437 also provides \$500 per township to update township zoning requirements.

Finally, it is important to highlight Section 1, paragraph 4 of this bill. This provision ensures that information that identifies individual parcels of land is confidential and not subject to open records requests. The paragraph ensures that individual landowners' privacy is protected.

Thank you for the opportunity to testify. NDFU requests a "Do Pass" recommendation on HB 1437. I will stand for any questions.

Codington County Rural Development Site Analysis

A Study by
First District Association of Local Governments

Funded by the South Dakota Value Added Agriculture Subfund

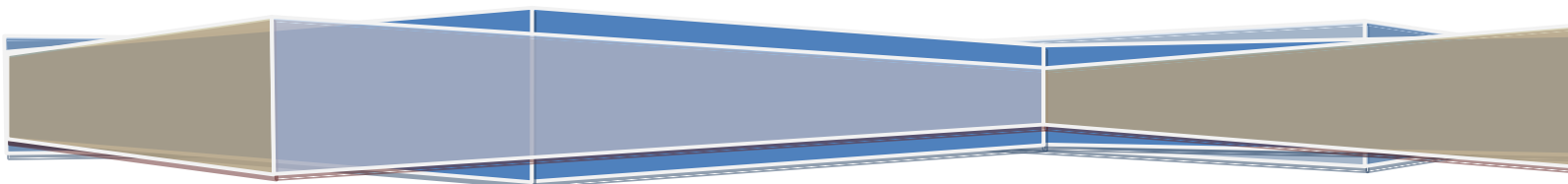


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SUMMARY

As part of the South Dakota Department of Agriculture's (SDDA) efforts to enhance economic development opportunities and better support local control of development, the County Site Analysis Program (Program) was developed in the summer of 2013. The Program assists participating counties in identifying potential rural properties with site development opportunities. The analysis and subsequent report will provide local leaders with information and research-based resources to foster well informed decisions regarding the future of their respective regions. It also helps identify and plan for potential challenges that may arise should those opportunities be pursued.

In implementing the Program, SDDA is working closely with South Dakota's Planning and Development Districts. The First District Association of Local Governments (First District) and Planning and Development District III (District III) developed a methodology for a feasibility analysis that focuses on identifying locations for rural economic development. The methodology addresses the feasibility of locations for the development of concentrated animal feeding operations, agricultural processing and storage facilities, and other agriculturally-related commercial/industrial development. The analysis took into consideration local zoning and State permitting requirements and the availability of infrastructure necessary to accommodate certain rural economic development projects.

Utilizing Geographic Information System (GIS) technology, the First District identified **80** sites within Codington County that met the minimum site assessment standards of the concentrated animal feeding operations (CAFO) analysis and **22** sites that met the minimum standards of the Agriculturally-related Industrial Development (AID) analysis. These sites complied with local zoning ordinances and were in close proximity to infrastructure necessary to support the previously identified economic development activities.

Identifying and evaluating potential sites for development is the first step in planning for economic development in rural Codington County. While this report focuses on the 102 specific sites (80 CAFO, 22 AID) matching the site assessment criteria standards, it became apparent each site also possesses its own unique set of site characteristics which present both advantages and constraints. There were many other sites in the county which complied with the county's zoning regulations but lacked the necessary infrastructure. Upgrading infrastructure identified as necessary to support rural economic development projects may increase the number of sites within the county possessing potential for development.

Infrastructure needs for CAFOs vary dependent upon species as the needs of AID projects also vary. Minimum thresholds for each criterion were utilized to establish the "Best" classification of sites. Those sites designated as "Best" sites were those not limited by any of the criteria considered. Sites not meeting the minimum criteria required of the "Best" sites were subsequently identified as "Good" or "Better". Sites may not be suitable for all CAFO and AID developments but may be limited to specific operations due to conditions limiting the site's development potential. An example of limiting conditions could be the availability of water volume at an identified CAFO site. Water demand for a 3,000 head dairy is approximately five times greater than the needs of a 5,000 head sow operation even though each operation is in excess of 2,000 animal units and will be subject to the same zoning regulations. Therefore, a 5,000 head sow operation may be located upon a site classified as "Good" or "Better" if the limiting factor was water availability.

The primary limiting factor in reviewing a property's development potential is the availability of quality potable water. The same is true with agriculturally-related industrial developments which also require a reliable source of high quality water. Access to a centralized water source such as rural water was identified as a key component in the site analysis process. For example, none of the AID sites were identified as being "Better" or "Best". This was due primarily to Codington County's zoning requirements and also the lack of adequate infrastructure (rail, water). However, the rural water systems in Codington County noted that if a significant water user (CAFO or AID) would locate in the county; all three rural water systems would explore ways to improve their supply and distribution systems in order to provide water to the proposed development. Therefore the analysis does not make the claim that the only sites for CAFO and AID development in Codington County be relegated to the 102 specific sites identified herein.

The site assessment process was limited in scope to include undeveloped parcels and did not consider expansion of existing CAFOs or commercial/industrial uses. In addition to this limited scope, minimum values were utilized in ranking each site with regards to zoning requirements and infrastructure demands. No attempt was made to rank each site within the three identified classifications. The uniqueness of each criterion identified in Table 1 warrants a comprehensive review of the potential impact each may have upon a subject property. This study is intended as the first step of a multi-faceted development process potentially leading to more specific site evaluations such as Phase 1 Environmental Assessments, engineering plans and development cost analysis, etc.

Identification of each site's relative advantages and constraints provides decision-makers with useful information for assessing the development potential of each site. The information contained herein has the potential to streamline the marketing process thereby reducing timelines, financial expenditures and labor costs. Local governments, economic development groups and state agencies such as the Department of Agriculture or Governor's Office of Economic Development all benefit from the rural site development analysis. These entities now have access to a marketing tool based on proactive planning efforts. In addition, the report may assist local governments in updating their comprehensive plans, zoning ordinances and permitting procedures while also increasing local awareness of potential development opportunities. The findings of this report will assist in determining the potential role each site may play in supporting economic development and should be considered when planning for future projects within Codington County.

The remainder of the report has been divided into two sections. Section 1 provides an overview of the criteria utilized as part of the Rural Site Development Analysis while Section 2 explains the methodology used incorporated into the review phase and identifies the "Good", "Better", and "Best" hierarchy.

As previously mentioned, there were 80 sites within Codington County which met the minimum standards for inclusion as potential Concentrated Animal Feeding Operation (CAFO) sites and 22 sites met the minimum standards for agriculturally-related industrial development (AID) site analysis. The following maps provide information at a township level regarding the number of "Good", "Better" and "Best" CAFO and AID development sites.

Codington County

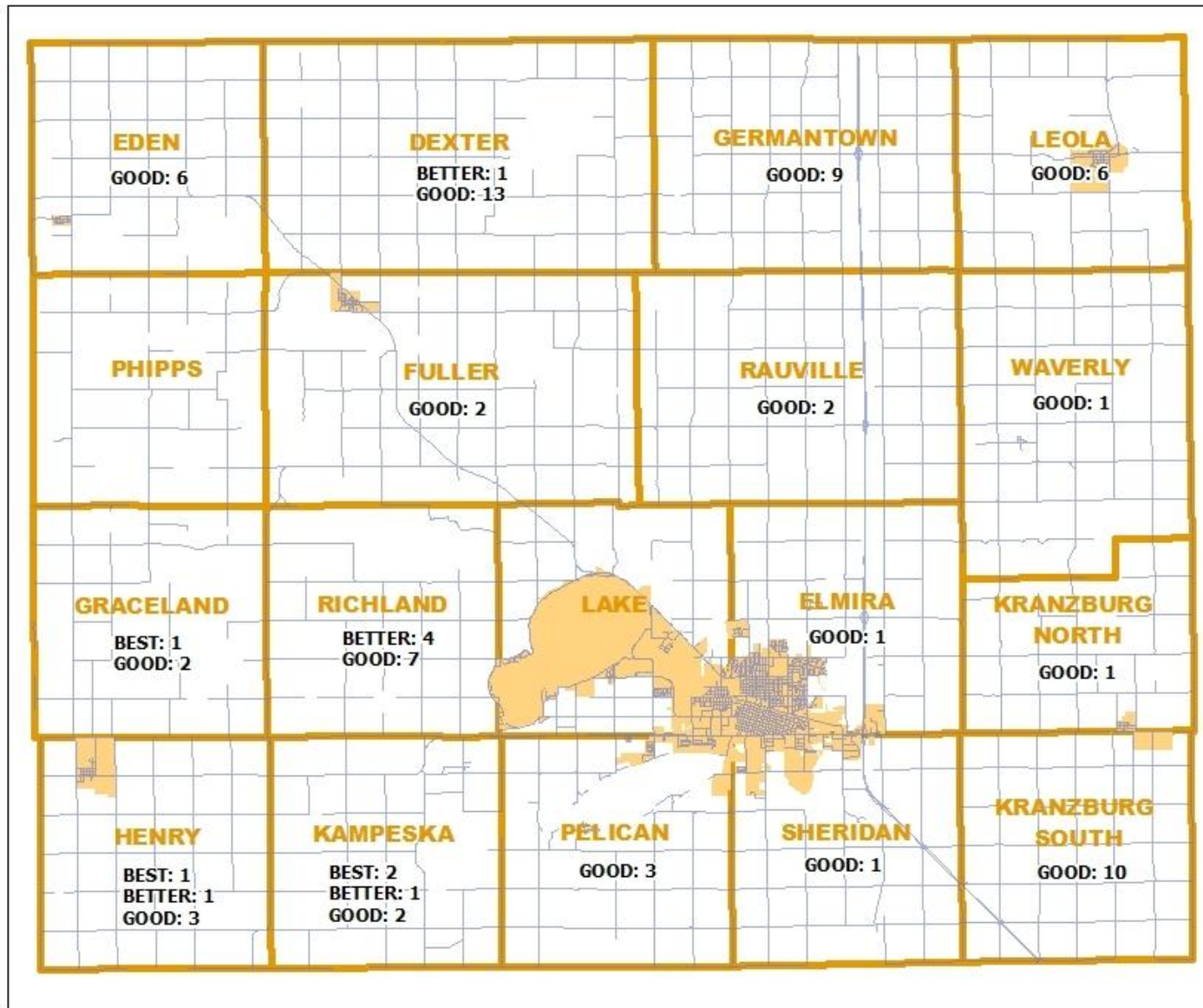
CAFO Sites 2013



Legend

- Roads
- City Limits
- Townships

TOWNSHIP	BEST	BETTER	GOOD
DEXTER	0	1	13
EDEN	0	0	6
ELMIRA	0	0	1
FULLER	0	0	2
GERMANTOWN	0	0	9
GRACELAND	1	0	2
HENRY	1	1	3
KAMPESKA	2	1	2
KRANZBURG NORTH	0	0	1
KRANZBURG SOUTH	0	0	10
LAKE	0	0	0
LEOLA	0	0	6
PELICAN	0	0	3
PHIPPS	0	0	0
RAUVILLE	0	0	2
RICHLAND	0	4	7
SHERIDAN	0	0	1
WAVERLY	0	0	1



Codington County

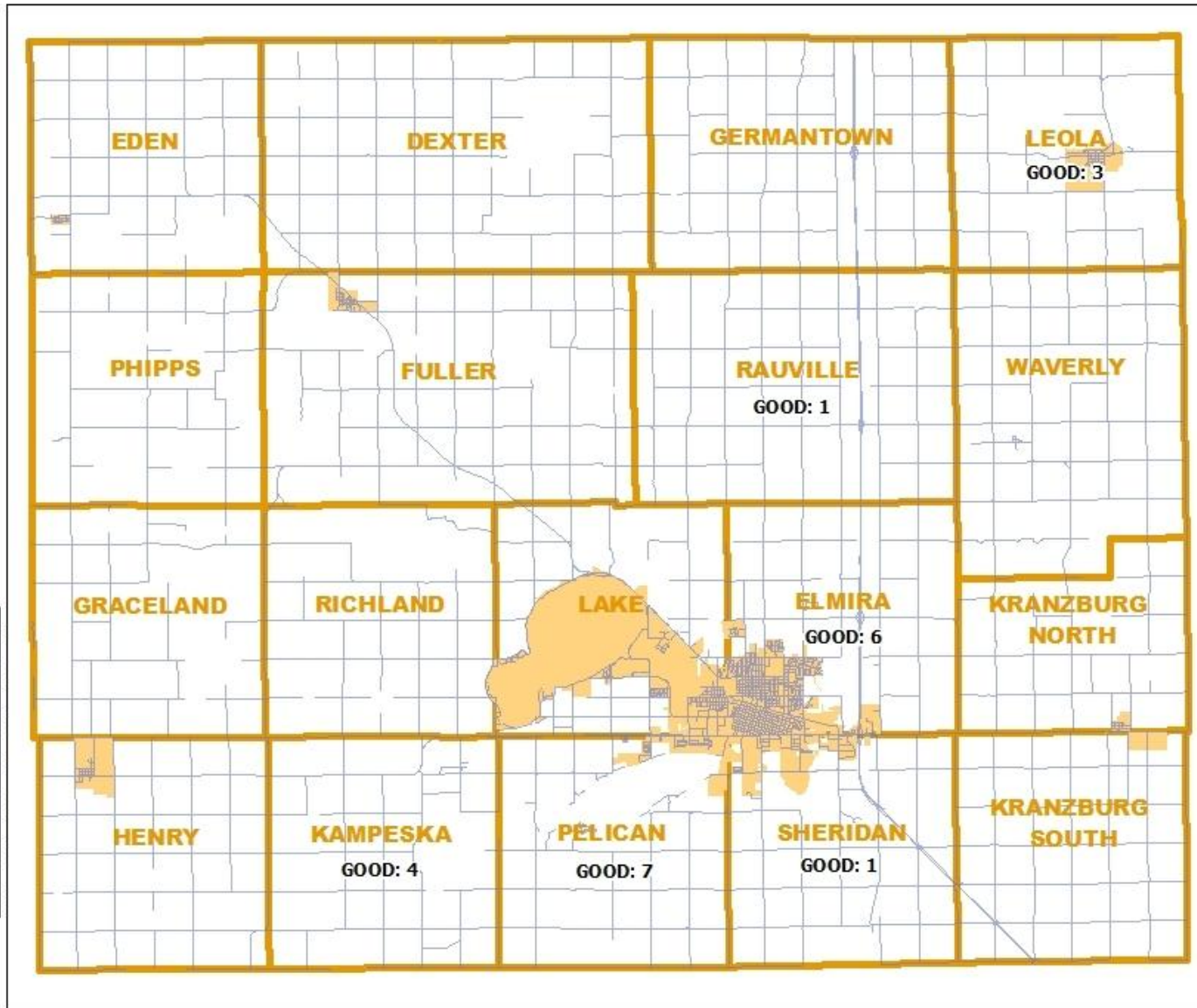
AID Sites
2013



Legend

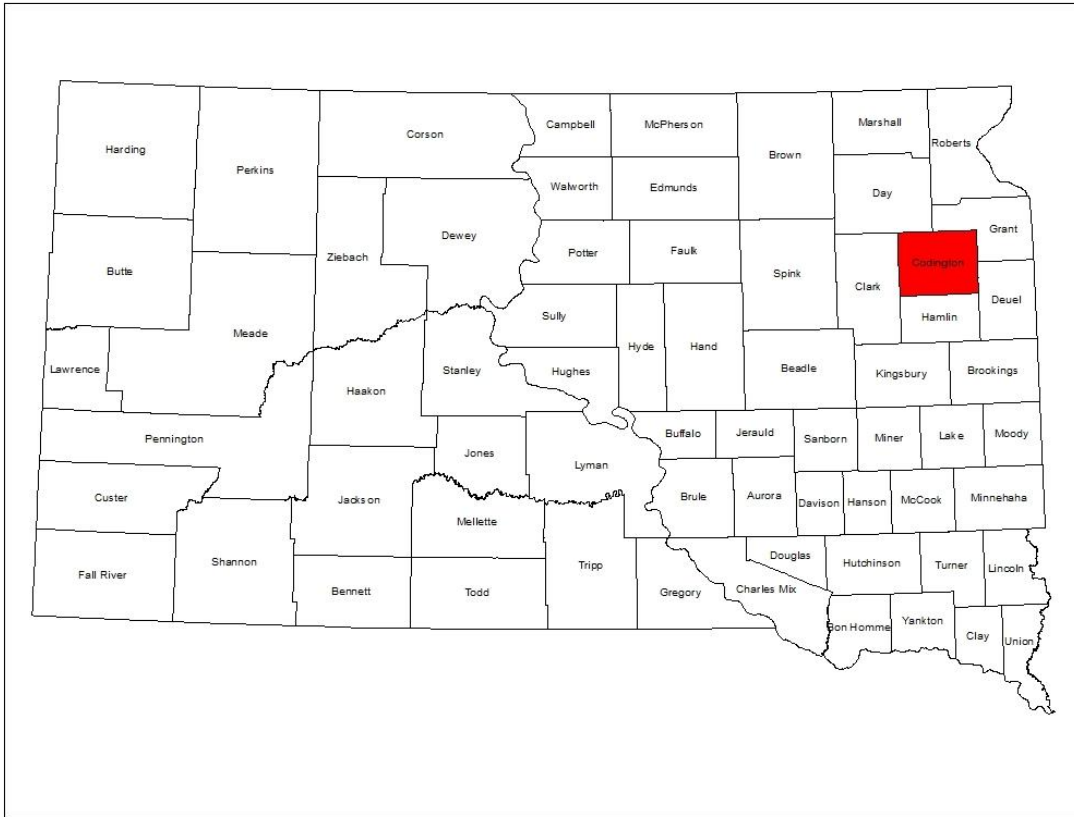
- Roads
- City Limits
- Townships

TOWNSHIP	BEST	BETTER	GOOD
DEXTER	0	0	0
EDEN	0	0	0
ELMIRA	0	0	6
FULLER	0	0	0
GERMANTOWN	0	0	0
GRACELAND	0	0	0
HENRY	0	0	0
KAMPESKA	0	0	4
KRANZBURG NORTH	0	0	0
KRANZBURG SOUTH	0	0	0
LAKE	0	0	0
LEOLA	0	0	3
PELICAN	0	0	7
PHIPPS	0	0	0
RAUVILLE	0	0	1
RICHLAND	0	0	0
SHERIDAN	0	0	1
WAVERLY	0	0	0



SECTION 1: SITE ASSESSMENT CRITERIA

Codington County Location Map



The analysis methodology developed for this study utilized an established set of criteria deemed critical to further development of the subject properties while specifically addressing the suitability of a site for either a CAFO or an AID.

Sites possessing all of the criteria identified as critical within the analysis will be those most sought by potential developers. The occurrence of these sites may be somewhat rare therefore sites under consideration for either a CAFO or AID may meet the majority of criteria, but will be lacking in several specific areas. Any sites not meeting all the criteria may be burdened with a limitation thus requiring more specific analysis. In these cases, the feasibility of developing the site is highly dependent upon the identified limitation(s). Earlier, an example of a potential site limitation was discussed regarding the demand for water. In that situation, the lack of water in the volume necessary for a dairy lent the site to be more likely developed as a swine facility. This example did not explore potential alternatives to the water shortage. The absence of adequate rural water volume at the site may require upsizing of the water infrastructure or securing an alternative water source. All of which hold the potential to mitigate this constraint thereby facilitating the proposed development. In other cases, however, failure to meet certain criteria, such as access to a quality road network, may result in a situation where development of the site becomes economically unfeasible. The site assessment criteria, depending upon whether or not the site is for a CAFO or AID project, have been divided into three major categories to include:

LAND USE REGULATIONS

- a. Alignment with Local and Regional Plans
- b. Compliance with Local Zoning Regulations
- c. Minimum Lot Area

I. ENVIRONMENTAL

- a. Potential Environmental Constraints - Aquifer

II. INFRASTRUCTURE

- a. Water Supply
- b. Electrical Supply
- c. Transportation Networks – Access to State and/or County Roads and Rail

LAND USE REGULATIONS

Economic development planning in Codrington County must be conducted in concert with the county's overall economic development goals. All development activities, including those specifically related to agriculture need to be accomplished within the parameters set forth in local and regional planning documents. Land use or development guidance is traditionally provided via local documents such as Comprehensive Plans, Zoning Ordinances, Policies, Mission Statements and other local economic development plans and initiatives.

Comprehensive Land Use Plan

The 2012 Codrington County Comprehensive Land Use Plan supports large scale animal agricultural development and agriculturally-related commercial and industrial development in order to ensure an adequate supply of sites are available for future development in the county. The need to plan for CAFO and agriculturally-related commercial/industrial development is supported by the 2012 plan, which states:

Areas of Development Stability (Ag-zoned Property)

Areas identified for development stability or agricultural uses shall be managed in such a way as to promote these uses and prevent premature intensification of other land uses. Land in this area shall be regulated so as to limit non-farm residential and urban density development through the use of minimum lot sizes and other regulations.

It should be noted that if agricultural lands are not protected through land use controls their optimum utilization will diminish in disproportion to the amount of area reverting to urban use. Thus, much of the remaining economic potential of the land, in terms of agricultural production, is lost.

Agricultural Preservation Policies

- Preserve agricultural lands and protect the rural area from uses which interfere with and are not compatible with general farming practices. This may include the use of Agricultural Easements and Concentrated Animal Feeding Operation waivers, or exemptions to setbacks from Concentrated Animal Feeding Operations...

Miscellaneous Policies

- Regulate concentrated animal feeding and processing operations to protect environmental quality and minimize conflicts with human activities.

Concentrated Animal Feeding Operations

The rural areas of Codington County are reserved for agricultural uses. Even certain agricultural uses result in externalities which require case by case review. Concentrated animal feeding operations are one of those uses. The scope of agricultural operations has increased. In the same way grain farmers are choosing to spread their expenses over more acres to generate a small return over more acres, numerous livestock producers are choosing to accept smaller gains over larger numbers of animals to stay in business. Codington County recognizes that a diverse agricultural industry, relying on cash crop and animal agriculture, promotes a sustainable, balanced agricultural economy. Concentrated animal feeding operations create local demand for crops grown in the area, provide fertilizer for surrounding land, and yield a raw product which is, in some cases, directly sold to local residents.

CAFO Policies:

- Codington County supports the creation and expansion of concentrated animal feeding operations in rural areas.
- Operations of less than 500 animal units which are not situated over a shallow aquifer or wellhead protection area should be allowed by-right, provided minimum management practices are employed.
- All CAFOs are required to comply with applicable state and federal regulations.
- All manure spreading within Codington County requires appropriate separation from property lines, rights-of-way, specific water features, and various different land uses.
- CAFOs of greater than 1,000 animal units should meet minimum requirements of the South Dakota DENR General Permit.
- CAFOs of 500 to 999 animal units should meet minimum standards established by the Natural Resource conservation Service for CAFO construction, manure and nutrient management.
- CAFOs of greater than 2,000 animal units are encouraged to be situated with access to paved roads.
- CAFOs should be situated with access to roads capable of handling potential traffic volumes associated with the use without increasing the cost of maintaining those roads.
- Protect existing CAFOs from encroachment of non-agricultural or residential uses by requiring any new construction within one-half mile for an existing CAFO to waive the right to protest any future expansion of the specified CAFO at the existing location.

Commercial/Industrial Land Use

Although the rural area may experience pressure to provide locations for both commercial and industrial development, it is the intent of Codrington County to encourage commercial and industrial development to occur within municipalities and the confines of unincorporated villages and developed lakes, thereby preserving agricultural lands for agriculture production. The exception would be to consider commercial and industrial ventures that directly support agricultural production.

Commercial and Industrial Development Goal

- It is the goal of Codrington County to encourage the continuation of agricultural production, while promoting cost effective, value added agricultural processing efforts.

Commercial and Industrial Development Policies

- Preferences should be given to agricultural production and processing activities that benefit the agriculture industry.
- County regulations should protect the property rights and promote the economic opportunities of farm operators.

Zoning

Ideally, economic developers seek sites that are zoned and eligible for specific uses. The need to pursue a zoning change or conditional use permit introduces an additional step in the development process that may increase development timeframes and costs. It also increases the uncertainty that the project can proceed given that zoning changes are referable and that a super majority vote of the County's Board of Adjustment is required for a conditional use permit.

Concentrated Animal Feeding Operation Development

Codrington County utilizes graduated setback requirements based upon the size of the CAFO. For example, a 3,000 head CAFO is required to observe a minimum setback of **2,640 feet** from established residences, commercially-zoned properties, and churches. Regarding setbacks from municipalities, the same 3,000 head dairy would be required to meet a setback of **5,280 feet**. For the purpose of this analysis, setbacks were applied to all of the above with the exception of churches as GIS data was not readily available. While it is possible that some of the sites identified in the analysis as good, better, or best may be impacted due to the possibility that a church is located within one-half mile of a proposed CAFO site, it is believed that the incidence is minimal. All 80 CAFO sites in the analysis are currently zoned in Codrington County as agricultural and all or a portion of the legally described parcels, according to the best available data, further meet the required setback and lot area requirements.

Commercial/Industrial Development

There is very little commercial/industrial activity at the county level of a specific business district nature. Codrington County restricts commercial and industrial zoning to areas adjacent to county and state hard surface roads. Further, the County does not have any permitted uses within the commercial and industrial zoning districts. Rather all uses are required to obtain a conditional use permit.

Buildable Parcel

One criterion deemed necessary to facilitate development of either a CAFO or an AID was land area. A parcel of 40 buildable acres was set as the minimum for consideration within the analysis. In order to be considered, the property must have consisted of 40 contiguous acres and able to support development upon all 40 acres. Parcels without 40 buildable acres were not considered in the final analysis.

ENVIRONMENTAL

The location of shallow aquifers in relation to potential development sites was included in the analysis. In reviewing shallow aquifers it is critical to note that they are included in the analysis for two distinct and very different reasons. Shallow aquifers may be utilized as a potential water source to support development. These same aquifers are vulnerable to pollution due to their proximity to the surface and must be protected via setbacks and development limitations.

Prior to or contingent upon acquiring a parcel it is assumed other environmental factors potentially affecting the property would be addressed via a Phase I Environmental Assessment or similar process. It is recommended that developers consider undertaking such an inquiry prior to executing a major commitment to a particular location.

Codington County's Zoning regulations do not allow CAFOs with over 1,000 animal units and certain industrial uses to be located over the shallow aquifer or in wellhead protection zones. None of the 80 CAFO or 22 AID sites identified by the analysis was located over the shallow aquifer or within a wellhead protection zone.

INFRASTRUCTURE

The term infrastructure is broad though in the context of property development the term includes essential services such as water, sewer, electrical, telecommunications, and roads. With regards to the rural site analysis process; access to quality roads, electrical capacity and water supply were deemed essential and identified as site selection criteria.

Transportation

Access to quality roads was identified as critical to determining the development potential of a parcel. The proximity of a potential development site to either a state or county road was established as one of the parameters in conducting the rural site analysis. In addition to utilizing the South Dakota Department of Transportation's road layer to identify roads and surface types, local experts were consulted to assist in identifying the road network. First District requested the Codington County Highway Superintendent to identify segments of the county road system inadequate to support a CAFO or AID. Sites accessed only by township roads were eliminated from the CAFO analysis and all potential AID sites abutting non hard surfaced roads and located greater than one-half mile from a hard surface road were also eliminated from the analysis.

A potential development site's proximity to certain road types impacted its designation. Those parcels abutting hard surface roads were consistently ranked higher than those served by gravel roads. In reviewing CAFO sites, parcels adjacent to a county or state hard surface road were designated "Better" or "Best" for transportation resources. Parcels adjacent to county gravel roads were designated "Good". Regarding AID sites, parcels adjacent to a county or state hard surface road were designated "Best" and those parcels within one-half mile of a county or state hard surface road were designated "Good" or "Better".

Electric Supply

Access to 3-phase power was designated as a site characteristics criterion for both CAFO and AID development. First District contacted Codington Clark Rural Electric Cooperative, the primary provider of electricity in the northern half of the county and Northwestern Energy, which supplies the southern part of the county and portions of western Codington County, to obtain the location and capacity of the 3-Phase infrastructure within the county. All parcels whether for CAFO or AID development adjacent to a 3-phase power line were designated "Best" for electricity resources. Whereas, parcels within one-half mile of a 3-phase power line were designated "Better" and those within 1 mile of a 3-phase power line were designated "Good".

Water Supply

The ability to secure information regarding rural water distribution networks and capacity proved to be the most complex and difficult component of the infrastructure analysis. Due to this complexity, water resources were evaluated differently than transportation and electric infrastructure. While transportation and electric infrastructure were classified based solely upon proximity to roads and 3-phase power, the analysis of rural water systems first required the evaluation of the water systems based upon each system's supply and distribution capacities. Development sites were then selected based upon the proximity to water service. The classifications with regards to water supply and their respective criteria are as follows:

1. "Best"
 - a. CAFO - If the rural water system had sufficient supply and distribution (104 gallons per minute for a CAFO see below) in a specific geographic area, that area was designated as "Best" for water resources.
 - b. AID - If the rural water system had sufficient supply and distribution (285 gallons per minute for an AID site see below) in a specific geographic area, that area was designated as "Best" for water resources.
2. "Better" - In those geographic areas of the county where the rural water system had a sufficient supply of water but inadequate distribution lines, or vice versa.
3. "Good" - In the event, the rural water system had neither supply or distribution within a geographic area a "Good" designation was applied to those areas that were within 2 miles but not closer than ½ mile from a shallow aquifer.

Upon defining the ranking criteria these parameters were utilized to evaluate potential CAFO and AID sites within Codrington County. Potential CAFO development sites adjacent to a rural water system with the supply and distribution capacity of 104 gallons per minute were classified as “Best” for water resources. Parcels adjacent to a rural water system with the supply but not distribution capacity of 104 gallons per minute, or vice versa were classified as “Better”. Any sites identified as “Good” for water resources required those parcels to lack a central water source and be within 2 miles but not closer than ½ mile from a shallow aquifer.

Due to the varying demands of potential uses a separate set of criteria was utilized to rank potential AID sites. Parcels adjacent to a rural water system with the supply and distribution capacity of 285 gallons per minute were classified as “Best” for water resources. Any parcels adjacent to a rural water system with the supply but not distribution capacity of 285 gallons per minute, or vice versa were classified as “Better”. Those sites ranked as “Good” included parcels which lacked a central water source and were within 2 miles but not closer than ½ mile from a shallow aquifer.

The site analysis sought to address whether or not the rural water system serving the region had excess water treatment capacity (supply) and their ability to serve potential properties (distribution). In order to address the issue of supply each rural water system was requested to identify their surplus treatment capacity. In addition, each system was requested to notate on a map those geographic areas to which 104 gallons per minute could be accommodated as well as those areas where 20.8 gallons per minute could be supplied. These capacities are necessary to accommodate a 3,000 head dairy or 5,000 head sow operation, respectively. Food and animal processing facilities require an average of 285 gallons per minute therefore rural water providers were asked to note those areas where this volume is available.

As noted earlier in an effort to conduct the most accurate analysis, the First District contacted and requested location and capacity information from the three rural water providers within Codrington County. Grant-Roberts Rural Water System provides water to northeastern Codrington County. Sioux Rural Water System provides water to southeast Codrington County and Clark Rural Water western provides water to the southwest western portions. All of the rural water providers stated that they had areas within their system with sufficient distribution infrastructure to deliver the minimum required amounts of water. However two of the rural water systems noted that they presently do not have an available supply of treated water to meet the minimum water delivery requirements. Clark Rural Water System stated that with recent improvements to their system there were 150,000 gallons per day of treated water available in certain locations throughout its system which was sufficient for CAFO sites but not for AID sites uses which require 285 gallons per minute. For these reasons, the analysis was unable to designate any AID development site as “Best” and the potential number of “Best” CAFO sites was diminished.

SECTION 2: RESEARCH AND METHODOLOGY

This section describes the methodology utilized to evaluate the suitability of potential sites for either CAFO or AID development.

Step 1: Research on Site Characteristics

Based on the general site assessment criteria established in Section 1 of this report, specific site characteristics necessary for determining the suitability of a potential site were developed. Table 1 lists the criteria identified as being necessary in order to conduct analysis of the potential sites. Utilizing these criteria as a guide, a variety of research methods were employed to compile the GIS data sets used in the analysis. This included the examination of local, regional, and state planning documents and existing GIS data layers.

Table 1: Site Characteristics Criteria

CAFO Criteria	Ag-related Commercial/Industrial Criteria
County Zoning Setback Requirements	Location of Communities
Location of Rural Residences & Communities	Existing Zoning Districts
Existing Zoning Districts	Location of Shallow Aquifer
Location of Shallow Aquifer	Access to County and State Road Network
Access to County and State Road Network	Proximity to three-phase Electrical Supply
Proximity to three-phase Electrical Supply	Proximity to Water Supply
Proximity to Water Supply	Capacity of Water Supply
Capacity of Water Supply	Proximity to Rail
	Proximity to Municipality

Step 2: Evaluation of Site Characteristics Criteria

After developing the data sets in Table 1, the analysis identified those site locations that:

1. Complied with zoning and aquifer protection guidelines; and
2. Are in close proximity to infrastructure necessary to support either CAFO or AID development.

Concentrated Animal Feeding Operation (CAFO)

The GIS analysis removed all parcels within the county from consideration that:

1. Did not have direct access to either a county or state road network;
2. Were not within one mile of three phase electric power;
3. Were completely located over a shallow aquifer/well-protection area;
4. Did not meet the one-half mile setback from existing residences, churches, businesses and commercially zoned areas;
5. Did not meet the one-mile setback from municipalities; and
6. Did not contain a buildable footprint of at least forty (40) acres.

After applying the local zoning and buildable footprint requirements to each site, the availability of necessary infrastructure was incorporated into the analysis. The general location of available water, electric and road infrastructure was applied to the remaining sites to establish a good, better, and best hierarchy of potential development sites. The result was the identification of **80** CAFO sites that fell into the design standards of one of the following three development standards:

Good Sites (69 sites) – Sites that were determined to be “Good” sites met the following criteria:

- Site is adjacent to any state or county hard surfaced road or county gravel road
- Site is within one mile of three phase power
- Site meets Codington County concentrated animal feeding operation setback requirements and aquifer protection guidelines
- Site is adjacent to rural water area designated BEST or BETTER, or within 2 miles but not closer than ½ mile from shallow aquifer (GOOD)
- Site contains 40 acres of developable ground

Better Sites (7 sites) – Sites that were determined to be “Better” sites met the following criteria:

- Site is adjacent to any state or county hard surfaced road
- Site is within one-half mile of three phase power
- Site meets Codington County concentrated animal feeding operation setback requirements and aquifer protection guidelines
- Site is adjacent to rural water area designated BEST or BETTER
- Site contains 40 acres of developable ground

Best Sites (4 sites) – Sites that were determined to be “Best” sites met the following criteria:

- Site is adjacent to any state or county hard surfaced road
- Site is adjacent to three phase power
- Site meets Codington County concentrated animal feeding operation setback requirements and aquifer protection guidelines
- Site is adjacent to rural water area designated as BEST
- Site contains 40 acres of developable ground

Agriculturally-related Industrial Development (AID)

The GIS analysis removed all parcels within the county from consideration that:

1. Were not within one half mile of a state or county hard surfaced road;
2. Were not within one mile of three phase electric power;
3. Were not within one mile of rail;
4. Were completely located over a shallow aquifer/well-protection area;
5. Were within ¼ mile of a community of less than 1,000 people;
6. Were within ½ mile of community with more than 1,000 people;
7. Did not contain a buildable footprint of at least forty (40) acres.

After applying the locational criteria and buildable footprint requirements to each site, the availability of necessary infrastructure was incorporated into the analysis. The general location of available water, electricity, road, and rail infrastructure and the proximity to a municipality was applied to the remaining sites to establish a good, better, and best hierarchy of potential development sites. The result was the identification of **22** AID sites that fell into the design standards of one of the following three development standards:

Good Sites (22 sites) – Sites that were determined to be “Good” sites met the following criteria:

- Site is within one-half mile of a state or county hard surfaced road
- Site is within one mile of three phase power
- Adjacent to rural water area designated BEST or BETTER, or within 2 miles but not closer than ½ mile from shallow aquifer (GOOD)
- Site contains 40 acres of developable ground
- Within one mile of rail

Better Sites (0 sites) – Sites that were determined to be “Better” sites met the following criteria:

- Site is within one-half mile of a state or county hard surfaced road
- Site is within one-half mile of three phase power
- Site is adjacent to rural water area designated BEST or BETTER
- Site contains 40 acres of developable ground
- Site is within one-half mile of rail
- Site is in the comprehensive land use plan identified for future commercial/industrial development but not yet appropriately zoned

Best Sites (0 sites) – Sites that were determined to be “Best” sites met the following criteria:

- Site is adjacent to a state or county hard surfaced road
- Site is adjacent to three phase power
- Site is adjacent to rural water area designated BEST
- Site contains 40 acres of developable ground
- Site is adjacent to rail
- Site is zoned for commercial/industrial development

Step 3: Site Development Recommendations

Based on the analysis, **80** sites were classified as Good, Better, or Best for CAFO development and **22** sites were classified as Good, Better, or Best for AID development (see Codington County Potential CAFO Development Sites Map and Codington County Potential AID Development Sites Map).

SECTION 3: CONTACT INFORMATION

First District Association of Local Governments

Executive Director: Todd Kays
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Phone: 605-882-5115

Codington County

Highway Superintendent: Rick Small
Phone: 605-882-6271

Zoning Officer: Luke Muller
Phone: 605-882-6300

Rural Water Systems

Clark Rural Water System Inc.
Duane Stokes
Phone: 605-532-5201

Grant-Roberts Rural Water System Inc
Wendy Storm
Phone: 605-432-6793

Sioux Rural Water System Inc.
Heath Thompson
Phone: 605-882-1321

Electric Providers

Codington Clark Electric Cooperative
General Manager: Dave Eide
Phone: 605-886-5848

Northwestern Energy
Rick Hoffman
(605) 352-8411 (Office)



Testimony of Brenda Elmer, executive director

North Dakota Corn Growers Association

In SUPPORT of HB 1437

January 26, 2023

Chairman Thomas and members of the House Agriculture Committee,

Thank you for allowing me to share our support of House Bill 1437. For the record, my name is Brenda Elmer, and I am the executive director of the North Dakota Corn Growers Association (NDCGA), which is the voice of the more than 13,000 corn growers across the state at the grass roots level for issues that impact corn producers.

Last month, Governor Burgum joined NDSU at the Capitol to unveil a first of its kind comprehensive study of the economic contribution of agriculture in the state. For the year 2020, agriculture contributed nearly \$31 billion to the economy and more than 110,000 jobs. The impact of agriculture was much more than we imagined and the state of ag in North Dakota is promising.

HB 1437 would provide the funding and guidance for townships and counties to identify suitable locations for economic development in those local areas. When local governments are short on personnel and resources, it's no surprise that such planning for economic development falls at the bottom or even off the list. It's in the best interest of the state to help identify, in advance of project site area determination, the availability of infrastructure and natural resources and all possible suitable locations for agriculture-related economic development projects and to ensure that the community is as ready as possible when the next big ag processing project is announced. To do so otherwise is hampering the state's efforts to attract viable development not only in livestock, but other rural economic development projects.

North Dakota annually produces about 400 million bushels of corn with about half dedicated to ethanol production throughout the state. Each bushel of corn processed by North Dakota ethanol plants produces about

15 pounds of livestock feed (dried distillers grains), yielding nearly 1.5 million total tons of livestock feed, including dry distillers grains, a high-protein feed sought after by livestock producers. HB 1437 would aid in the identification of potential value-added ag locations across the state and assist economic partners in connecting with the right opportunities and local governments.

When we met with the Department of Commerce late last year about this concept, it was encouraging to hear that it was consistent with its economic development objectives and potentially would provide them great value in being at the ready.

This bill would move North Dakota in a positive direction towards expanding agricultural development which in turn aids producers of corn and other commodities in building valuable markets. We urge your support of HB 1437. Thank you for your time today and I stand for any questions you may have.



Testimony of Samantha Vangsness
Executive Director, North Dakota Ethanol Producers Association
In Support of HB 1437
January 26, 2023


Chairman Thomas and members of the House Agriculture Committee,

Thank you for the opportunity to testify before you today, I am Samantha Vangsness. I am executive director for the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. I am here today to voice support for HB 1437, which provides \$1.21 million for grants to counties or regional planning councils to conduct rural development site analyses.

Thanks to North Dakota's innovative private sector and supportive state government, North Dakota's ethanol industry has been able to expand into various markets. The industry converts 40-60 percent of the state's corn crop into more than 550 million gallons of ethanol, 1.5 million tons of high-value livestock feed (distillers grain) and 20 million gallons of corn oil used in renewable diesel. According to a recent study conducted by North Dakota State University, the ethanol industry contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs.

NDEPA identified livestock expansion in North Dakota as a top priority during its strategic planning spring of 2022. The state's ethanol industry produces 1.5 million tons of dried distillers grains (DDGs), a high-quality, protein-rich feed that is consumed by various livestock. Our plants currently export 90% of the distillers grain produced out of the state. Enhanced livestock development is important to keeping more of the product in the state, and this bill is a step in the right direction for attracting livestock development across the state.

Thank you for your time and I respectfully urge a 'Do Pass' recommendation on HB 1437. I stand for any questions.

North Dakota Stockmen's Association 
Testimony to the House Agriculture Committee on HB 1437
Jan. 26, 2023

Good morning, Chairman Thomas and members of the House Agriculture Committee. My name is Julie Ellingson and I represent the North Dakota Stockmen's Association, a 93-year-old beef cattle trade organization comprised of more than 3,100 cattle-ranching members.

We rise in support of HB 1437, which would develop a regional livestock planning grant program, with the goal to support political subdivisions preparing for and welcoming value-added ag businesses to their communities.

The work meshes nicely with the work our own organization does through its Environmental Services Program, providing cost-share and free and confidential technical assistance for cattle producers seeking to bring new and expanding animal feeding operations into compliance with state and federal water quality rules.

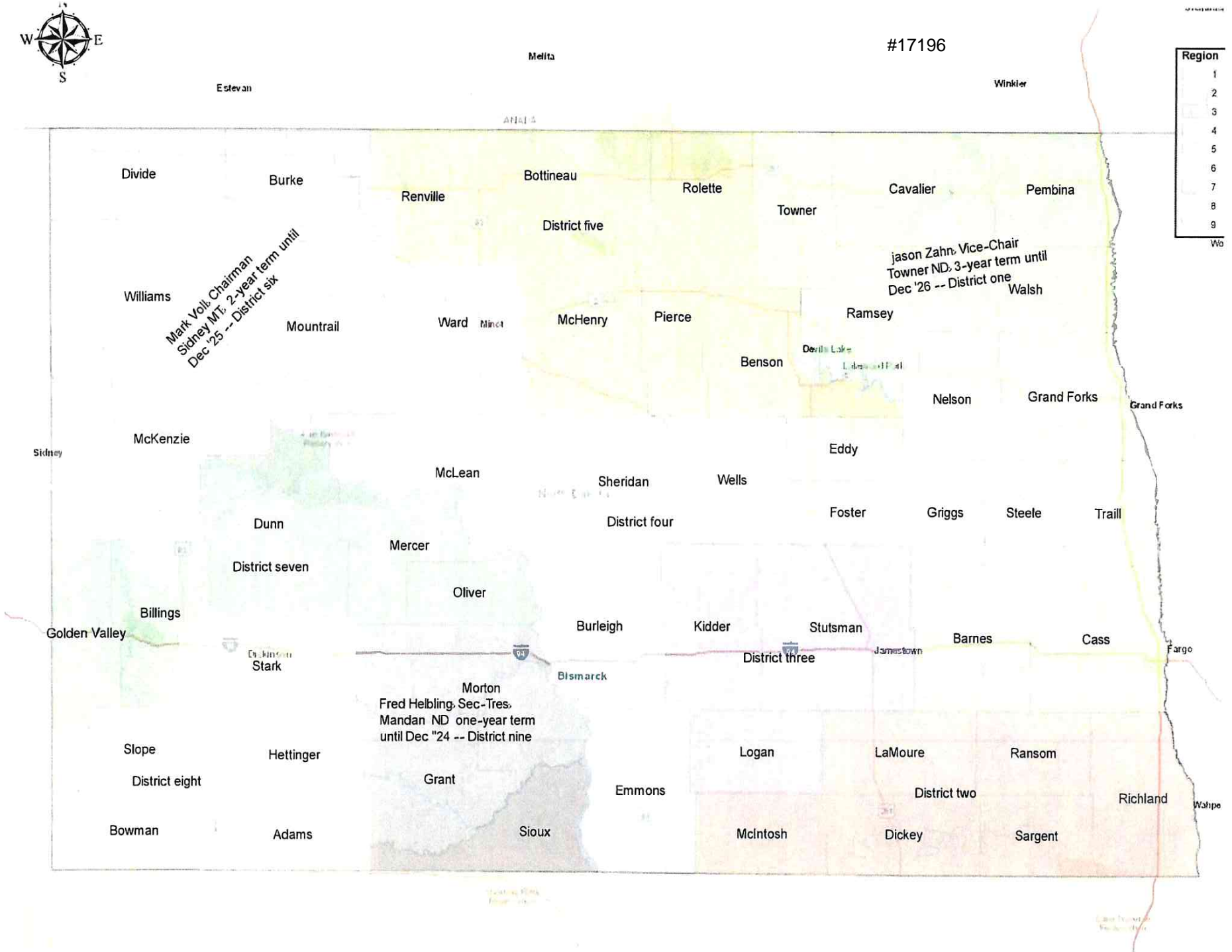
I appreciate the bill sponsor including the confidentiality clause beginning on line 5 of page 2, which had been a request of our organization. It is a critical element of this legislation and helps ensure that the information garnered on parcels in the planning review outlined in this bill doesn't get in the wrong hands or misused for a purpose that could be economically harmful or intrusive or put a livestock operation in harm's way.

Thank you for the opportunity to testify.



#17196

Region
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Scott Shively

Box 55

Towner,ND

701-721-3423

Thank you Chairman Thomas and Vice Chair Beltz for the opportunity to testify on HB# 1437. I have spent a lot of time commenting on bills related to the North Dakota Beef Commission because that is something I have studied and have a passion to improve. Perhaps an even biggest issue to livestock producers in North Dakota is the attack on family farm livestock presented in the ND Legislature's bills attempting to gut the ND Anti Corporate Farming Law. The bills supporting the anti corporate bill HB#1371 are HB#1423 and HB#1437.

The main bill is HB#1371 and is supported by Governor Burgum, NDFB and NDSA. This is just another in the constant attacks on the old law that has protected family farmers and ranchers since the 1930s. The bill is being promoted by individuals and groups that have mostly done nothing to support good policy for the family farms and ranches that we have. NOTHING ABSOLUTELY NOTHING.

Gov. Burgum proved to me that he is the worst North Dakota governor in my lifetime for using his money to try to buy a legislature that suited him. So much for separation between the executive and legislative branch. The two farm groups expose their growing disconnect with farmers and ranchers.

The people promoting the notion that this mess of bills somehow enhances livestock agriculture in North Dakota are for the most part not livestock producers. I went to high school in Rugby and we had a little bitty hog confinement building about a mile west of town. The whole town stunk. We want a system where some corporate money and a whole bunch of government subsidy and tax breaks will find some broke or sleezy farmer and front him to build a pig farm, dairy or feedlot on the top of some fragile aquifer or way to close to the neighbors. This kind of shallow thinking selfish government is not a help or an answer to helping agriculture or North Dakota.

I say take the green spaces around the N.D. capitol and build a corporate dairy, a corporate feedlot, turkey and chicken barns and some hog barns. If it works there then change the law. We have all heard or read about the football and basketball players buying up Iowa farmland with plans of spreading out all over the U.S.. And we know of Burgum's buddy Bill Gates buying N.D. land surely outside the spirit of ND law if not illegally.

This legislation has more potential to damage what we have rather than enhance it. Why should Farmer's Union and North Dakota citizens have to keep trying to protect the law. We have spoken plenty of times. HB#1437 and the others all need a quick trip to the dumpster.

Scott Shively

23.0592.03001
Title.

Prepared by the Legislative Council staff for
the House Appropriations Committee
February 20, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1437

Page 1, line 1, replace "54-60" with "4.1-01"

Page 1, remove lines 5 through 24

Page 2, replace lines 1 through 7 with:

"SECTION 1. A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:

Regional livestock development and planning program - Grants.

1. The commissioner shall administer a grant program to assist counties and regional planning councils, as defined in chapter 54-40.1, for livestock development planning. A county or a regional planning council may submit an application for assistance under this section to the commissioner.
2. The commissioner shall award grants to counties and regional planning councils for purposes of coordinating strategic planning and accommodating and encouraging investment in livestock production. Grants shall be awarded for the following activities:
 - a. Identification of suitable locations for rural economic development, including confined animal feeding operations, agricultural processing and storage facilities, and other agricultural-related development. The following factors must be considered when identifying suitable locations for rural economic development:
 - (1) Local zoning and land use regulations;
 - (2) State permitting requirements; and
 - (3) Availability of infrastructure and natural resources necessary to accommodate rural economic development projects.
 - b. Review and updating of township zoning and land use regulations.
3. Grants awarded under this section may not exceed:
 - a. Up to eight thousand dollars for every county included in an application for activities described in subdivision a of subsection 2.
 - b. Up to five hundred dollars for every township included in an application for activities described in subdivision b of subsection 2.
4. Any information created, collected, or maintained by the commissioner which identifies individual parcels of land for rural economic development is confidential and not subject to the open records requirements of section 44-04-18."

Page 2, line 8, replace "DEPARTMENT OF COMMERCE" with "AGRICULTURE COMMISSIONER"

Page 2, line 11, replace "\$1,210,000" with "\$600,000"

Page 2, line 11, replace "department of commerce" with "agriculture commissioner"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Replaces a section creating a new section in Chapter 54-60 related to the Department of Commerce and instead creates a new section in Chapter 4.1-01 related to the Agriculture Commissioner;
- Reduces the appropriation for the regional livestock develop and planning grant program from \$1,210,000 to \$600,000 and appropriates the funding to the Agriculture Commissioner instead of the Department of Commerce; and
- Changes the maximum amount of grants available to counties under the program from \$12,000 to \$8,000.

January 26, 2023

The Honorable Larry Luick
Chairman, Agriculture and Veterans Affairs Committee
North Dakota Senate
North Dakota State Capitol
600 East Boulevard Ave.
Bismarck, ND 58505

Re: HB1437, a bill for an act to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to the creation of regional livestock planning grants; and to provide for an appropriation.

Chairman Luick and Members of the Senate Agriculture and Veterans Affairs Committee:

For the record, I'm Nancy Johnson, executive director serving the North Dakota Soybean Growers Association. I thank you for this opportunity to provide virtual testimony on HB1437.

The Soybean Growers Association is the advocacy arm of the soybean industry, representing the more than 8,900 operations in the state. According to the December 2022 Agriculture Economic Contribution Study, the industry has \$4.5 billion in gross business volume, \$4.2 billion from soybean production, \$0.3 billion from commodity handling, transportation, and processing.

Our long-held dream of increasing the processing contribution has come true and the first of potentially several crush plants will go online this fall. We'll go from exporting more than 90 percent of our crop as whole beans to crushing about 25 percent of the crop in state. That's how we got to this program of planning grants.

The foundation of our interest in regional planning goes back to the association's strategic plan and is based on the anticipated production of high-quality soybean meal for animal feed that will be produced at the soybean crush plants.

So, a year ago, we invited other interested ag and industry groups to convene on the subject. We quickly found that we needed to know what we didn't know and had research conducted to determine how we could make some immediate impact. From that came a plan to start with zoning.

As you may be aware, the model zoning ordinances related to animal agriculture and approved by the 66th Legislative Session haven't been adopted by most townships and counties. Many of our current and past board members are on township boards. In checking with them, they knew zoning should be updated but had been consumed by flooded roads, FEMA applications, finding gravel or removing snow from a record 11 blizzards on 47,000 miles of roads. There was no ill intent... this just wasn't the most urgent need in their township.

We, however, do have a sense of urgency. There is legislative work underway to facilitate animal agriculture development in North Dakota and that has created a lot of attention for the subject.

I can just imagine the excitement of a farm family doing succession planning which concludes that, rather than try to buy more land, animal agriculture can expand their operation and bring more family members back to their farm only to learn that their township zoning hasn't been updated for 20 years. That can stop progress cold.

I did an informal poll at the Township Officers Association, and many officers realized the need for an update, but they just didn't know where to start. In doing a quick check of zoning posted on the DEQ website, I confirmed that the people we talked to weren't unique. I found some zoning ordinances that hadn't been reviewed since the '70s. Some of the ordinances we looked at thanked the Red River Regional Council for their help on the most recent update. The plan was coming together.

It became clear that, without adding another bureaucracy, we could create an easy button for the more than 1,000 organized townships to work once again with the councils who already work with the Commerce Department on many programs. When discussing this idea with Dawn Mandt of the Red River Regional Council, she outlined a simple process to help get these important ordinances updated in a routine manner. While meeting with Commerce, there was agreement that the process could work and this urgently needed update could rapidly begin with the funding we request in this bill.

Once the zoning is updated, GIS technology can be effectively used to help determine the optimum locations for animal agriculture as well as other rural economic development opportunities. Updating zoning is a great first step in the site analysis process.

Thank you for this opportunity to provide testimony on HB1437. I hope my comments are of value in your decision-making. I stand ready to answer any questions that you may have.

Respectfully Submitted,

Nancy Johnson
Executive Director
North Dakota Soybean Growers Association

Testimony HB1437

Sam Wagner
Ag and Food Field Organizer
Dakota Resource Council
1720 Burnt Boat Dr. Ste 104
Bismarck ND 58503
Testimony in Opposition for HB 1437

To the Honorable Chairman and the members of the Committee We submit these remarks on behalf of DRC.

Mr Chairman,

We have reviewed the texts of the amendments to this bill and we are still in opposition of HB1437 because of support for CAFOs and the fact that there is a confidentiality and secrecy clause in the bill. Everything else for development of value-added agriculture companies and processing plants we support but to this day we have yet to see any organization come into a township or county to write zoning laws that has ever made environmental or local control better in the area. The real reason for this is to try and deregulate things for the benefit of moneyed interest and to set up shop without community involvement. This is a top down approach that we can't endorse and it has caused multiple problems in our communities across North Dakota.

Our philosophy is that economic development for communities is an important part of community building, but it is not the only facet of what makes a good community. The environment, tourism, and the quality of life for the people that live there also need to be considered. Economic development for the sake of economic development historically sides with business and never with the communities that businesses will hurt, which is why it is especially important for townships and counties to have local control and autonomy.

Secrecy Issues:

I can tell you first hand about my experiences with a project that was kept secret in Casselton North Dakota. For several months our community members, our legislative team, and even our city council members had no knowledge of this project. The NDSP Project would've been far better received if the community was informed earlier. Perhaps even with some better communication there would've been less opposition to the project. In Howes township and Devils Lake two CAFOs met opposition because the owners were not upfront and honest with the community. When Fufeng was being negotiated the US Air Force stated they did not know about the project for months if not over a year. We want good neighbors in our community and this bill will not encourage that type of behavior. If you want to know the root cause of many of these projects that are opposed in North Dakota, keeping them secret is one of the top reasons people oppose them.

The Problem with CAFOs:

Adding Confined Agriculture Farming Operations (CAFOs) to this list is problematic because of the way North Dakota law is written. North Dakota law prohibits any township from asking a company that comes to their community to regulate their air or water pollution that comes from their business. It prohibits a township from making a company pay for the roads that their farm would damage. It also prohibits getting paid any money from the company in licensing fees that could be used by the community. Animal agriculture can be done responsibly but this law is going to be more asking townships and counties to give up their autonomy 8,000 dollars.

We urge you to vote DO NOT PASS unless you remove confined animal agriculture from the list of approved projects and strip the confidentiality requirement from the bill.



Contact:

Matt Perdue, Lobbyist

mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
Senate Agriculture Committee**

Chairman Luick and members of the committee,

Thank you for the opportunity to testify on House Bill No. 1437. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's members. NDFU supports HB 1437.

HB 1437 establishes regional livestock planning grants. This opt-in, voluntary program provides grants to regional planning councils or counties for two purposes:

1. To fund rural development site analyses; and
2. To assist townships in reviewing and updating zoning and land use regulations.

The rural development site analysis provides leaders with information and resources to support well-informed decisions regarding economic development opportunities. Specifically, the analysis helps counties identify sites suitable for livestock and other value-added agriculture development. A copy of a completed rural development site analysis is attached to my testimony.

The rural development site analysis was completed in roughly 90 percent of South Dakota counties. Currently, two pilots are being conducted in Traill and Ransom counties in North Dakota.

The legislation also provides regional planning councils or counties funding to help townships review and update their zoning requirements. This technical assistance provides townships with the resources they need to make well-informed zoning decisions.

HB 1437 is an important component of a broader suite of bills aimed at supporting locally led livestock and value-added development. Earlier this session, this committee approved SB 2373, a bill that has now passed both chambers unanimously. SB 2373 establishes a Livestock Friendly County (LFC) designation. The site analysis included in HB 1437 is a requirement for counties who choose to pursue the LFC designation.

SB 2373 provides a framework that helps counties develop a comprehensive strategy for promoting livestock development. HB 1437 provides the foundation for developing that strategy. This bill will provide counties with the foundational information they need to assess their opportunities for economic development.

Thank you for the opportunity to testify. NDFU requests a "Do Pass" recommendation on HB 1437. I will stand for any questions.

Codington County Rural Development Site Analysis

A Study by
First District Association of Local Governments

Funded by the South Dakota Value Added Agriculture Subfund

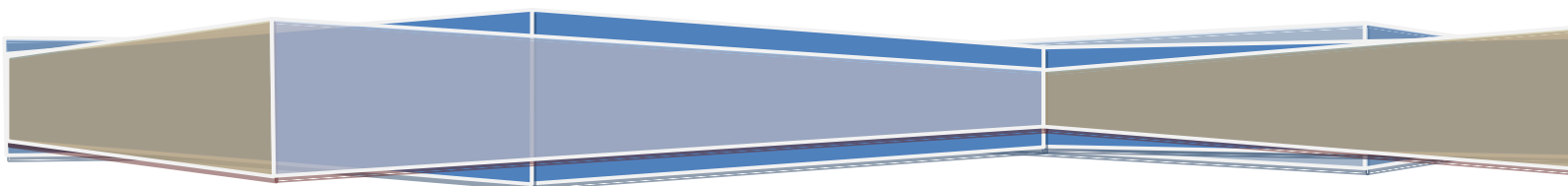


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SUMMARY

As part of the South Dakota Department of Agriculture's (SDDA) efforts to enhance economic development opportunities and better support local control of development, the County Site Analysis Program (Program) was developed in the summer of 2013. The Program assists participating counties in identifying potential rural properties with site development opportunities. The analysis and subsequent report will provide local leaders with information and research-based resources to foster well informed decisions regarding the future of their respective regions. It also helps identify and plan for potential challenges that may arise should those opportunities be pursued.

In implementing the Program, SDDA is working closely with South Dakota's Planning and Development Districts. The First District Association of Local Governments (First District) and Planning and Development District III (District III) developed a methodology for a feasibility analysis that focuses on identifying locations for rural economic development. The methodology addresses the feasibility of locations for the development of concentrated animal feeding operations, agricultural processing and storage facilities, and other agriculturally-related commercial/industrial development. The analysis took into consideration local zoning and State permitting requirements and the availability of infrastructure necessary to accommodate certain rural economic development projects.

Utilizing Geographic Information System (GIS) technology, the First District identified **80** sites within Codington County that met the minimum site assessment standards of the concentrated animal feeding operations (CAFO) analysis and **22** sites that met the minimum standards of the Agriculturally-related Industrial Development (AID) analysis. These sites complied with local zoning ordinances and were in close proximity to infrastructure necessary to support the previously identified economic development activities.

Identifying and evaluating potential sites for development is the first step in planning for economic development in rural Codington County. While this report focuses on the 102 specific sites (80 CAFO, 22 AID) matching the site assessment criteria standards, it became apparent each site also possesses its own unique set of site characteristics which present both advantages and constraints. There were many other sites in the county which complied with the county's zoning regulations but lacked the necessary infrastructure. Upgrading infrastructure identified as necessary to support rural economic development projects may increase the number of sites within the county possessing potential for development.

Infrastructure needs for CAFOs vary dependent upon species as the needs of AID projects also vary. Minimum thresholds for each criterion were utilized to establish the "Best" classification of sites. Those sites designated as "Best" sites were those not limited by any of the criteria considered. Sites not meeting the minimum criteria required of the "Best" sites were subsequently identified as "Good" or "Better". Sites may not be suitable for all CAFO and AID developments but may be limited to specific operations due to conditions limiting the site's development potential. An example of limiting conditions could be the availability of water volume at an identified CAFO site. Water demand for a 3,000 head dairy is approximately five times greater than the needs of a 5,000 head sow operation even though each operation is in excess of 2,000 animal units and will be subject to the same zoning regulations. Therefore, a 5,000 head sow operation may be located upon a site classified as "Good" or "Better" if the limiting factor was water availability.

The primary limiting factor in reviewing a property's development potential is the availability of quality potable water. The same is true with agriculturally-related industrial developments which also require a reliable source of high quality water. Access to a centralized water source such as rural water was identified as a key component in the site analysis process. For example, none of the AID sites were identified as being "Better" or "Best". This was due primarily to Codington County's zoning requirements and also the lack of adequate infrastructure (rail, water). However, the rural water systems in Codington County noted that if a significant water user (CAFO or AID) would locate in the county; all three rural water systems would explore ways to improve their supply and distribution systems in order to provide water to the proposed development. Therefore the analysis does not make the claim that the only sites for CAFO and AID development in Codington County be relegated to the 102 specific sites identified herein.

The site assessment process was limited in scope to include undeveloped parcels and did not consider expansion of existing CAFOs or commercial/industrial uses. In addition to this limited scope, minimum values were utilized in ranking each site with regards to zoning requirements and infrastructure demands. No attempt was made to rank each site within the three identified classifications. The uniqueness of each criterion identified in Table 1 warrants a comprehensive review of the potential impact each may have upon a subject property. This study is intended as the first step of a multi-faceted development process potentially leading to more specific site evaluations such as Phase 1 Environmental Assessments, engineering plans and development cost analysis, etc.

Identification of each site's relative advantages and constraints provides decision-makers with useful information for assessing the development potential of each site. The information contained herein has the potential to streamline the marketing process thereby reducing timelines, financial expenditures and labor costs. Local governments, economic development groups and state agencies such as the Department of Agriculture or Governor's Office of Economic Development all benefit from the rural site development analysis. These entities now have access to a marketing tool based on proactive planning efforts. In addition, the report may assist local governments in updating their comprehensive plans, zoning ordinances and permitting procedures while also increasing local awareness of potential development opportunities. The findings of this report will assist in determining the potential role each site may play in supporting economic development and should be considered when planning for future projects within Codington County.

The remainder of the report has been divided into two sections. Section 1 provides an overview of the criteria utilized as part of the Rural Site Development Analysis while Section 2 explains the methodology used incorporated into the review phase and identifies the "Good", "Better", and "Best" hierarchy.

As previously mentioned, there were 80 sites within Codington County which met the minimum standards for inclusion as potential Concentrated Animal Feeding Operation (CAFO) sites and 22 sites met the minimum standards for agriculturally-related industrial development (AID) site analysis. The following maps provide information at a township level regarding the number of "Good", "Better" and "Best" CAFO and AID development sites.

Codington County

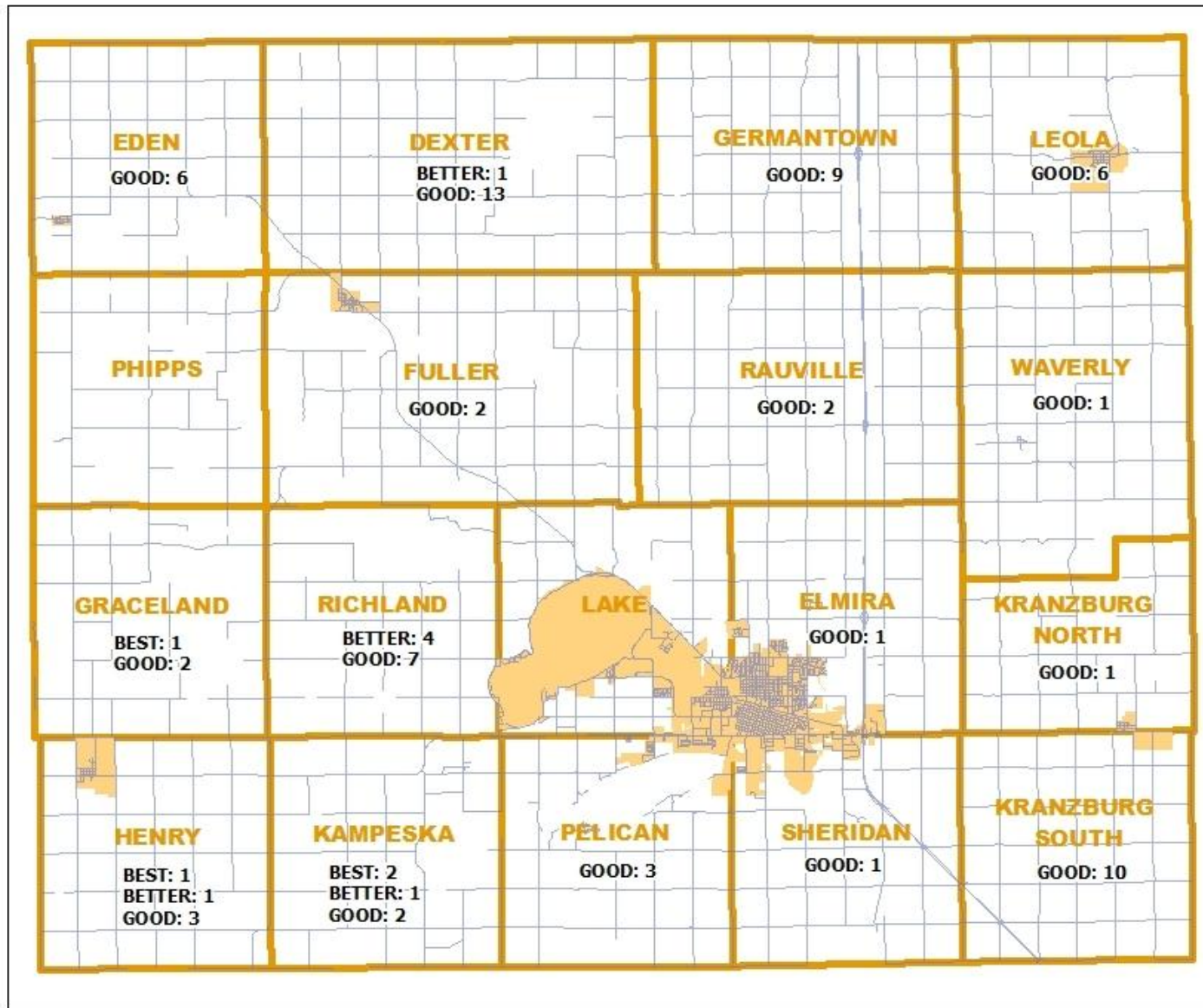
CAFO Sites 2013



Legend

- Roads
- City Limits
- Townships

TOWNSHIP	BEST	BETTER	GOOD
DEXTER	0	1	13
EDEN	0	0	6
ELMIRA	0	0	1
FULLER	0	0	2
GERMANTOWN	0	0	9
GRACELAND	1	0	2
HENRY	1	1	3
KAMPESKA	2	1	2
KRANZBURG NORTH	0	0	1
KRANZBURG SOUTH	0	0	10
LAKE	0	0	0
LEOLA	0	0	6
PELICAN	0	0	3
PHIPPS	0	0	0
RAUVILLE	0	0	2
RICHLAND	0	4	7
SHERIDAN	0	0	1
WAVERLY	0	0	1



Codington County

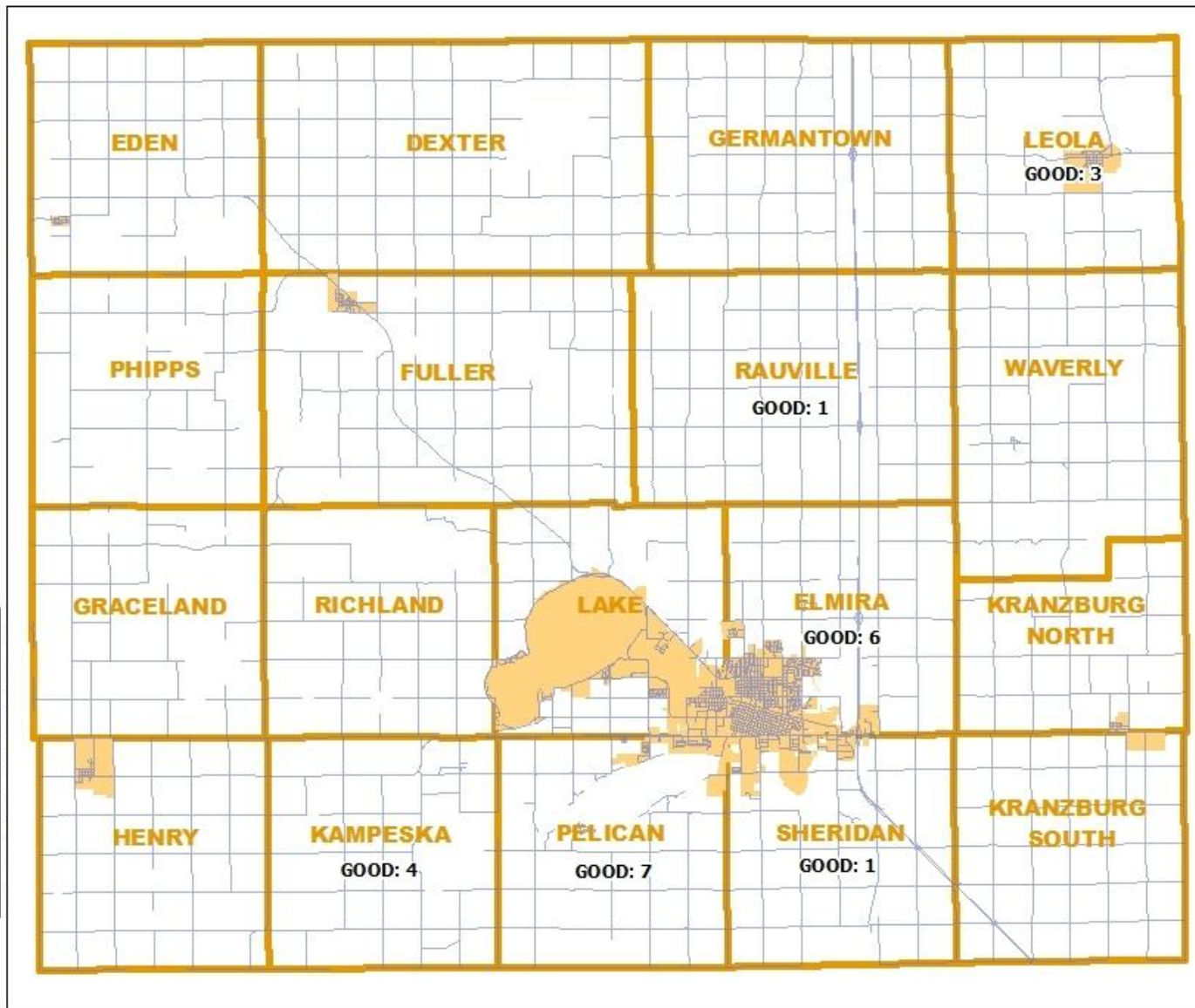
AID Sites
2013



Legend

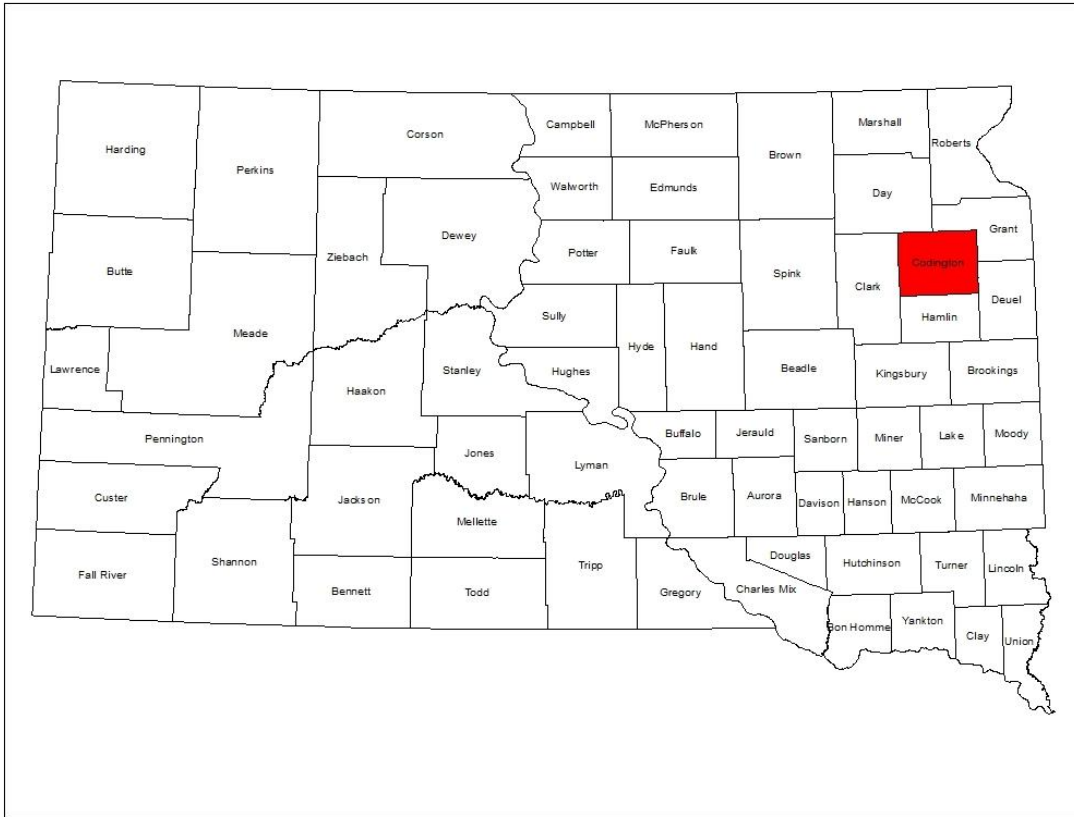
- Roads
- City Limits
- Townships

TOWNSHIP	BEST	BETTER	GOOD
DEXTER	0	0	0
EDEN	0	0	0
ELMIRA	0	0	6
FULLER	0	0	0
GERMANTOWN	0	0	0
GRACELAND	0	0	0
HENRY	0	0	0
KAMPESKA	0	0	4
KRANZBURG NORTH	0	0	0
KRANZBURG SOUTH	0	0	0
LAKE	0	0	0
LEOLA	0	0	3
PELICAN	0	0	7
PHIPPS	0	0	0
RAUVILLE	0	0	1
RICHLAND	0	0	0
SHERIDAN	0	0	1
WAVERLY	0	0	0



SECTION 1: SITE ASSESSMENT CRITERIA

Codington County Location Map



The analysis methodology developed for this study utilized an established set of criteria deemed critical to further development of the subject properties while specifically addressing the suitability of a site for either a CAFO or an AID.

Sites possessing all of the criteria identified as critical within the analysis will be those most sought by potential developers. The occurrence of these sites may be somewhat rare therefore sites under consideration for either a CAFO or AID may meet the majority of criteria, but will be lacking in several specific areas. Any sites not meeting all the criteria may be burdened with a limitation thus requiring more specific analysis. In these cases, the feasibility of developing the site is highly dependent upon the identified limitation(s). Earlier, an example of a potential site limitation was discussed regarding the demand for water. In that situation, the lack of water in the volume necessary for a dairy lent the site to be more likely developed as a swine facility. This example did not explore potential alternatives to the water shortage. The absence of adequate rural water volume at the site may require upsizing of the water infrastructure or securing an alternative water source. All of which hold the potential to mitigate this constraint thereby facilitating the proposed development. In other cases, however, failure to meet certain criteria, such as access to a quality road network, may result in a situation where development of the site becomes economically unfeasible. The site assessment criteria, depending upon whether or not the site is for a CAFO or AID project, have been divided into three major categories to include:

LAND USE REGULATIONS

- a. Alignment with Local and Regional Plans
- b. Compliance with Local Zoning Regulations
- c. Minimum Lot Area

I. ENVIRONMENTAL

- a. Potential Environmental Constraints - Aquifer

II. INFRASTRUCTURE

- a. Water Supply
- b. Electrical Supply
- c. Transportation Networks – Access to State and/or County Roads and Rail

LAND USE REGULATIONS

Economic development planning in Codrington County must be conducted in concert with the county's overall economic development goals. All development activities, including those specifically related to agriculture need to be accomplished within the parameters set forth in local and regional planning documents. Land use or development guidance is traditionally provided via local documents such as Comprehensive Plans, Zoning Ordinances, Policies, Mission Statements and other local economic development plans and initiatives.

Comprehensive Land Use Plan

The 2012 Codrington County Comprehensive Land Use Plan supports large scale animal agricultural development and agriculturally-related commercial and industrial development in order to ensure an adequate supply of sites are available for future development in the county. The need to plan for CAFO and agriculturally-related commercial/industrial development is supported by the 2012 plan, which states:

Areas of Development Stability (Ag-zoned Property)

Areas identified for development stability or agricultural uses shall be managed in such a way as to promote these uses and prevent premature intensification of other land uses. Land in this area shall be regulated so as to limit non-farm residential and urban density development through the use of minimum lot sizes and other regulations.

It should be noted that if agricultural lands are not protected through land use controls their optimum utilization will diminish in disproportion to the amount of area reverting to urban use. Thus, much of the remaining economic potential of the land, in terms of agricultural production, is lost.

Agricultural Preservation Policies

- Preserve agricultural lands and protect the rural area from uses which interfere with and are not compatible with general farming practices. This may include the use of Agricultural Easements and Concentrated Animal Feeding Operation waivers, or exemptions to setbacks from Concentrated Animal Feeding Operations...

Miscellaneous Policies

- Regulate concentrated animal feeding and processing operations to protect environmental quality and minimize conflicts with human activities.

Concentrated Animal Feeding Operations

The rural areas of Codington County are reserved for agricultural uses. Even certain agricultural uses result in externalities which require case by case review. Concentrated animal feeding operations are one of those uses. The scope of agricultural operations has increased. In the same way grain farmers are choosing to spread their expenses over more acres to generate a small return over more acres, numerous livestock producers are choosing to accept smaller gains over larger numbers of animals to stay in business. Codington County recognizes that a diverse agricultural industry, relying on cash crop and animal agriculture, promotes a sustainable, balanced agricultural economy. Concentrated animal feeding operations create local demand for crops grown in the area, provide fertilizer for surrounding land, and yield a raw product which is, in some cases, directly sold to local residents.

CAFO Policies:

- Codington County supports the creation and expansion of concentrated animal feeding operations in rural areas.
- Operations of less than 500 animal units which are not situated over a shallow aquifer or wellhead protection area should be allowed by-right, provided minimum management practices are employed.
- All CAFOs are required to comply with applicable state and federal regulations.
- All manure spreading within Codington County requires appropriate separation from property lines, rights-of-way, specific water features, and various different land uses.
- CAFOs of greater than 1,000 animal units should meet minimum requirements of the South Dakota DENR General Permit.
- CAFOs of 500 to 999 animal units should meet minimum standards established by the Natural Resource conservation Service for CAFO construction, manure and nutrient management.
- CAFOs of greater than 2,000 animal units are encouraged to be situated with access to paved roads.
- CAFOs should be situated with access to roads capable of handling potential traffic volumes associated with the use without increasing the cost of maintaining those roads.
- Protect existing CAFOs from encroachment of non-agricultural or residential uses by requiring any new construction within one-half mile for an existing CAFO to waive the right to protest any future expansion of the specified CAFO at the existing location.

Commercial/Industrial Land Use

Although the rural area may experience pressure to provide locations for both commercial and industrial development, it is the intent of Codrington County to encourage commercial and industrial development to occur within municipalities and the confines of unincorporated villages and developed lakes, thereby preserving agricultural lands for agriculture production. The exception would be to consider commercial and industrial ventures that directly support agricultural production.

Commercial and Industrial Development Goal

- It is the goal of Codrington County to encourage the continuation of agricultural production, while promoting cost effective, value added agricultural processing efforts.

Commercial and Industrial Development Policies

- Preferences should be given to agricultural production and processing activities that benefit the agriculture industry.
- County regulations should protect the property rights and promote the economic opportunities of farm operators.

Zoning

Ideally, economic developers seek sites that are zoned and eligible for specific uses. The need to pursue a zoning change or conditional use permit introduces an additional step in the development process that may increase development timeframes and costs. It also increases the uncertainty that the project can proceed given that zoning changes are referable and that a super majority vote of the County's Board of Adjustment is required for a conditional use permit.

Concentrated Animal Feeding Operation Development

Codrington County utilizes graduated setback requirements based upon the size of the CAFO. For example, a 3,000 head CAFO is required to observe a minimum setback of **2,640 feet** from established residences, commercially-zoned properties, and churches. Regarding setbacks from municipalities, the same 3,000 head dairy would be required to meet a setback of **5,280 feet**. For the purpose of this analysis, setbacks were applied to all of the above with the exception of churches as GIS data was not readily available. While it is possible that some of the sites identified in the analysis as good, better, or best may be impacted due to the possibility that a church is located within one-half mile of a proposed CAFO site, it is believed that the incidence is minimal. All 80 CAFO sites in the analysis are currently zoned in Codrington County as agricultural and all or a portion of the legally described parcels, according to the best available data, further meet the required setback and lot area requirements.

Commercial/Industrial Development

There is very little commercial/industrial activity at the county level of a specific business district nature. Codrington County restricts commercial and industrial zoning to areas adjacent to county and state hard surface roads. Further, the County does not have any permitted uses within the commercial and industrial zoning districts. Rather all uses are required to obtain a conditional use permit.

Buildable Parcel

One criterion deemed necessary to facilitate development of either a CAFO or an AID was land area. A parcel of 40 buildable acres was set as the minimum for consideration within the analysis. In order to be considered, the property must have consisted of 40 contiguous acres and able to support development upon all 40 acres. Parcels without 40 buildable acres were not considered in the final analysis.

ENVIRONMENTAL

The location of shallow aquifers in relation to potential development sites was included in the analysis. In reviewing shallow aquifers it is critical to note that they are included in the analysis for two distinct and very different reasons. Shallow aquifers may be utilized as a potential water source to support development. These same aquifers are vulnerable to pollution due to their proximity to the surface and must be protected via setbacks and development limitations.

Prior to or contingent upon acquiring a parcel it is assumed other environmental factors potentially affecting the property would be addressed via a Phase I Environmental Assessment or similar process. It is recommended that developers consider undertaking such an inquiry prior to executing a major commitment to a particular location.

Codington County's Zoning regulations do not allow CAFOs with over 1,000 animal units and certain industrial uses to be located over the shallow aquifer or in wellhead protection zones. None of the 80 CAFO or 22 AID sites identified by the analysis was located over the shallow aquifer or within a wellhead protection zone.

INFRASTRUCTURE

The term infrastructure is broad though in the context of property development the term includes essential services such as water, sewer, electrical, telecommunications, and roads. With regards to the rural site analysis process; access to quality roads, electrical capacity and water supply were deemed essential and identified as site selection criteria.

Transportation

Access to quality roads was identified as critical to determining the development potential of a parcel. The proximity of a potential development site to either a state or county road was established as one of the parameters in conducting the rural site analysis. In addition to utilizing the South Dakota Department of Transportation's road layer to identify roads and surface types, local experts were consulted to assist in identifying the road network. First District requested the Codington County Highway Superintendent to identify segments of the county road system inadequate to support a CAFO or AID. Sites accessed only by township roads were eliminated from the CAFO analysis and all potential AID sites abutting non hard surfaced roads and located greater than one-half mile from a hard surface road were also eliminated from the analysis.

A potential development site's proximity to certain road types impacted its designation. Those parcels abutting hard surface roads were consistently ranked higher than those served by gravel roads. In reviewing CAFO sites, parcels adjacent to a county or state hard surface road were designated "Better" or "Best" for transportation resources. Parcels adjacent to county gravel roads were designated "Good". Regarding AID sites, parcels adjacent to a county or state hard surface road were designated "Best" and those parcels within one-half mile of a county or state hard surface road were designated "Good" or "Better".

Electric Supply

Access to 3-phase power was designated as a site characteristics criterion for both CAFO and AID development. First District contacted Codington Clark Rural Electric Cooperative, the primary provider of electricity in the northern half of the county and Northwestern Energy, which supplies the southern part of the county and portions of western Codington County, to obtain the location and capacity of the 3-Phase infrastructure within the county. All parcels whether for CAFO or AID development adjacent to a 3-phase power line were designated "Best" for electricity resources. Whereas, parcels within one-half mile of a 3-phase power line were designated "Better" and those within 1 mile of a 3-phase power line were designated "Good".

Water Supply

The ability to secure information regarding rural water distribution networks and capacity proved to be the most complex and difficult component of the infrastructure analysis. Due to this complexity, water resources were evaluated differently than transportation and electric infrastructure. While transportation and electric infrastructure were classified based solely upon proximity to roads and 3-phase power, the analysis of rural water systems first required the evaluation of the water systems based upon each system's supply and distribution capacities. Development sites were then selected based upon the proximity to water service. The classifications with regards to water supply and their respective criteria are as follows:

1. "Best"
 - a. CAFO - If the rural water system had sufficient supply and distribution (104 gallons per minute for a CAFO see below) in a specific geographic area, that area was designated as "Best" for water resources.
 - b. AID - If the rural water system had sufficient supply and distribution (285 gallons per minute for an AID site see below) in a specific geographic area, that area was designated as "Best" for water resources.
2. "Better" - In those geographic areas of the county where the rural water system had a sufficient supply of water but inadequate distribution lines, or vice versa.
3. "Good" - In the event, the rural water system had neither supply or distribution within a geographic area a "Good" designation was applied to those areas that were within 2 miles but not closer than ½ mile from a shallow aquifer.

Upon defining the ranking criteria these parameters were utilized to evaluate potential CAFO and AID sites within Codrington County. Potential CAFO development sites adjacent to a rural water system with the supply and distribution capacity of 104 gallons per minute were classified as “Best” for water resources. Parcels adjacent to a rural water system with the supply but not distribution capacity of 104 gallons per minute, or vice versa were classified as “Better”. Any sites identified as “Good” for water resources required those parcels to lack a central water source and be within 2 miles but not closer than ½ mile from a shallow aquifer.

Due to the varying demands of potential uses a separate set of criteria was utilized to rank potential AID sites. Parcels adjacent to a rural water system with the supply and distribution capacity of 285 gallons per minute were classified as “Best” for water resources. Any parcels adjacent to a rural water system with the supply but not distribution capacity of 285 gallons per minute, or vice versa were classified as “Better”. Those sites ranked as “Good” included parcels which lacked a central water source and were within 2 miles but not closer than ½ mile from a shallow aquifer.

The site analysis sought to address whether or not the rural water system serving the region had excess water treatment capacity (supply) and their ability to serve potential properties (distribution). In order to address the issue of supply each rural water system was requested to identify their surplus treatment capacity. In addition, each system was requested to notate on a map those geographic areas to which 104 gallons per minute could be accommodated as well as those areas where 20.8 gallons per minute could be supplied. These capacities are necessary to accommodate a 3,000 head dairy or 5,000 head sow operation, respectively. Food and animal processing facilities require an average of 285 gallons per minute therefore rural water providers were asked to note those areas where this volume is available.

As noted earlier in an effort to conduct the most accurate analysis, the First District contacted and requested location and capacity information from the three rural water providers within Codrington County. Grant-Roberts Rural Water System provides water to northeastern Codrington County. Sioux Rural Water System provides water to southeast Codrington County and Clark Rural Water western provides water to the southwest western portions. All of the rural water providers stated that they had areas within their system with sufficient distribution infrastructure to deliver the minimum required amounts of water. However two of the rural water systems noted that they presently do not have an available supply of treated water to meet the minimum water delivery requirements. Clark Rural Water System stated that with recent improvements to their system there were 150,000 gallons per day of treated water available in certain locations throughout its system which was sufficient for CAFO sites but not for AID sites uses which require 285 gallons per minute. For these reasons, the analysis was unable to designate any AID development site as “Best” and the potential number of “Best” CAFO sites was diminished.

SECTION 2: RESEARCH AND METHODOLOGY

This section describes the methodology utilized to evaluate the suitability of potential sites for either CAFO or AID development.

Step 1: Research on Site Characteristics

Based on the general site assessment criteria established in Section 1 of this report, specific site characteristics necessary for determining the suitability of a potential site were developed. Table 1 lists the criteria identified as being necessary in order to conduct analysis of the potential sites. Utilizing these criteria as a guide, a variety of research methods were employed to compile the GIS data sets used in the analysis. This included the examination of local, regional, and state planning documents and existing GIS data layers.

Table 1: Site Characteristics Criteria

CAFO Criteria	Ag-related Commercial/Industrial Criteria
County Zoning Setback Requirements	Location of Communities
Location of Rural Residences & Communities	Existing Zoning Districts
Existing Zoning Districts	Location of Shallow Aquifer
Location of Shallow Aquifer	Access to County and State Road Network
Access to County and State Road Network	Proximity to three-phase Electrical Supply
Proximity to three-phase Electrical Supply	Proximity to Water Supply
Proximity to Water Supply	Capacity of Water Supply
Capacity of Water Supply	Proximity to Rail
	Proximity to Municipality

Step 2: Evaluation of Site Characteristics Criteria

After developing the data sets in Table 1, the analysis identified those site locations that:

1. Complied with zoning and aquifer protection guidelines; and
2. Are in close proximity to infrastructure necessary to support either CAFO or AID development.

Concentrated Animal Feeding Operation (CAFO)

The GIS analysis removed all parcels within the county from consideration that:

1. Did not have direct access to either a county or state road network;
2. Were not within one mile of three phase electric power;
3. Were completely located over a shallow aquifer/well-protection area;
4. Did not meet the one-half mile setback from existing residences, churches, businesses and commercially zoned areas;
5. Did not meet the one-mile setback from municipalities; and
6. Did not contain a buildable footprint of at least forty (40) acres.

After applying the local zoning and buildable footprint requirements to each site, the availability of necessary infrastructure was incorporated into the analysis. The general location of available water, electric and road infrastructure was applied to the remaining sites to establish a good, better, and best hierarchy of potential development sites. The result was the identification of **80** CAFO sites that fell into the design standards of one of the following three development standards:

Good Sites (69 sites) – Sites that were determined to be “Good” sites met the following criteria:

- Site is adjacent to any state or county hard surfaced road or county gravel road
- Site is within one mile of three phase power
- Site meets Codington County concentrated animal feeding operation setback requirements and aquifer protection guidelines
- Site is adjacent to rural water area designated BEST or BETTER, or within 2 miles but not closer than ½ mile from shallow aquifer (GOOD)
- Site contains 40 acres of developable ground

Better Sites (7 sites) – Sites that were determined to be “Better” sites met the following criteria:

- Site is adjacent to any state or county hard surfaced road
- Site is within one-half mile of three phase power
- Site meets Codington County concentrated animal feeding operation setback requirements and aquifer protection guidelines
- Site is adjacent to rural water area designated BEST or BETTER
- Site contains 40 acres of developable ground

Best Sites (4 sites) – Sites that were determined to be “Best” sites met the following criteria:

- Site is adjacent to any state or county hard surfaced road
- Site is adjacent to three phase power
- Site meets Codington County concentrated animal feeding operation setback requirements and aquifer protection guidelines
- Site is adjacent to rural water area designated as BEST
- Site contains 40 acres of developable ground

Agriculturally-related Industrial Development (AID)

The GIS analysis removed all parcels within the county from consideration that:

1. Were not within one half mile of a state or county hard surfaced road;
2. Were not within one mile of three phase electric power;
3. Were not within one mile of rail;
4. Were completely located over a shallow aquifer/well-protection area;
5. Were within ¼ mile of a community of less than 1,000 people;
6. Were within ½ mile of community with more than 1,000 people;
7. Did not contain a buildable footprint of at least forty (40) acres.

After applying the locational criteria and buildable footprint requirements to each site, the availability of necessary infrastructure was incorporated into the analysis. The general location of available water, electricity, road, and rail infrastructure and the proximity to a municipality was applied to the remaining sites to establish a good, better, and best hierarchy of potential development sites. The result was the identification of **22** AID sites that fell into the design standards of one of the following three development standards:

Good Sites (22 sites) – Sites that were determined to be “Good” sites met the following criteria:

- Site is within one-half mile of a state or county hard surfaced road
- Site is within one mile of three phase power
- Adjacent to rural water area designated BEST or BETTER, or within 2 miles but not closer than ½ mile from shallow aquifer (GOOD)
- Site contains 40 acres of developable ground
- Within one mile of rail

Better Sites (0 sites) – Sites that were determined to be “Better” sites met the following criteria:

- Site is within one-half mile of a state or county hard surfaced road
- Site is within one-half mile of three phase power
- Site is adjacent to rural water area designated BEST or BETTER
- Site contains 40 acres of developable ground
- Site is within one-half mile of rail
- Site is in the comprehensive land use plan identified for future commercial/industrial development but not yet appropriately zoned

Best Sites (0 sites) – Sites that were determined to be “Best” sites met the following criteria:

- Site is adjacent to a state or county hard surfaced road
- Site is adjacent to three phase power
- Site is adjacent to rural water area designated BEST
- Site contains 40 acres of developable ground
- Site is adjacent to rail
- Site is zoned for commercial/industrial development

Step 3: Site Development Recommendations

Based on the analysis, **80** sites were classified as Good, Better, or Best for CAFO development and **22** sites were classified as Good, Better, or Best for AID development (see Codington County Potential CAFO Development Sites Map and Codington County Potential AID Development Sites Map).

SECTION 3: CONTACT INFORMATION

First District Association of Local Governments

Executive Director: Todd Kays
GIS Coordinator: Ryan Hartley
Phone: 605-882-5115

Codington County

Highway Superintendent: Rick Small
Phone: 605-882-6271

Zoning Officer: Luke Muller
Phone: 605-882-6300

Rural Water Systems

Clark Rural Water System Inc.
Duane Stokes
Phone: 605-532-5201

Grant-Roberts Rural Water System Inc
Wendy Storm
Phone: 605-432-6793

Sioux Rural Water System Inc.
Heath Thompson
Phone: 605-882-1321

Electric Providers

Codington Clark Electric Cooperative
General Manager: Dave Eide
Phone: 605-886-5848

Northwestern Energy
Rick Hoffman
(605) 352-8411 (Office)



Testimony of Samantha Vangsness
Executive Director, North Dakota Ethanol Producers Association
In Support of HB 1437
March 17, 2023

Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee,

Thank you for the opportunity to testify before you today, I am Samantha Vangsness. I am executive director for the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. I am here today to voice support for HB 1437, which provides grants to counties or regional planning councils to conduct rural development site analyses.

Thanks to North Dakota's innovative private sector and supportive state government, North Dakota's ethanol industry has been able to expand into various markets. The industry converts 40-60 percent of the state's corn crop into more than 550 million gallons of ethanol, 1.5 million tons of high-value livestock feed (distillers grain) and 20 million gallons of corn oil used in renewable diesel. According to a recent study conducted by North Dakota State University, the ethanol industry contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs.

NDEPA identified livestock expansion in North Dakota as a top priority during its strategic planning spring of 2022. The state's ethanol industry produces 1.5 million tons of dried distillers grains (DDGs), a high-quality, protein-rich feed that is consumed by various livestock. Our plants currently export 90% of the distillers grain produced out of the state. Enhanced livestock development is important to keeping more of the product in the state, and this bill is a step in the right direction for attracting livestock development across the state.

Thank you for your time and I respectfully urge a 'Do Pass' recommendation on HB 1437. I stand for any questions.

23.0592.04001
Title.

Prepared by the Legislative Council staff for
Senator Myrdal

March 9, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1437

Page 1, line 1, replace "4.1-01" with "54-60"

Page 1, line 2, remove "for"

Page 1, replace lines 5 and 6 with:

"SECTION 1. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:"

Page 2, line 1, replace "Up to eight" with "Twelve thousand dollars for one county included in an application for activities described in subdivision a of subsection 2.

b. Eight"

Page 2, line 1, after "every" insert "other"

Page 2, line 1, after "county" insert "not awarded a grant under subdivision a"

Page 2, line 3, replace "b." with "c."

Page 2, line 3, replace "Up to five" with "Five"

Page 2, line 8, replace "**AGRICULTURE COMMISSIONER**" with "**DEPARTMENT OF COMMERCE**"

Page 2, line 11, replace "agriculture commissioner" with "department of commerce"

Renumber accordingly

COMMISSIONER
DOUG GOEHRING



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www.agdepartment.com

**Testimony of Tom Bodine
Deputy Agriculture Commissioner
Senate Agriculture and Veteran Affairs Committee
Fort Union Room
March 17, 2023**

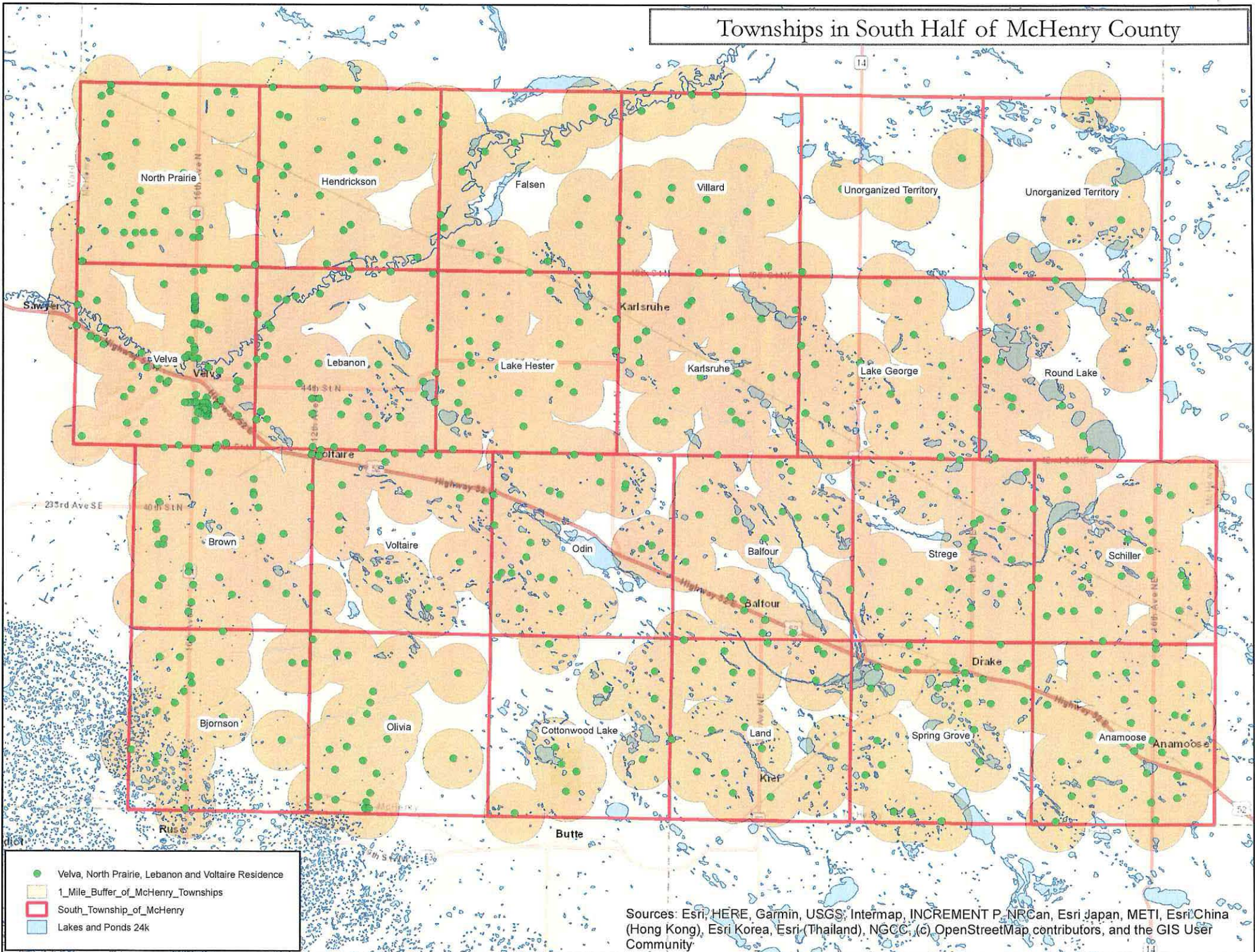
Chairman Luick and members of the Senate Agriculture and Veteran Affairs Committee, I am Tom Bodine, Deputy Agriculture Commissioner, and I am on behalf of Agriculture Commissioner Doug Goehring. I am here today in support of HB 1437 which creates regionally livestock planning grants.

This is a great start to helping North Dakota focus on its efforts in developing animal agriculture in North Dakota. We feel that this program will be very beneficial in helping establish areas for development and assist in creating sound zoning in counties and townships. This program is a great companion to the livestock friendly counties which you already heard and was recently passed by the house.

Finally, to ensure that there is adequate resources we would like to offer an amendment to request additional funding from the Environment and Rangeland Protection fund.

Chairman Luick and committee members, thank you for your consideration of HB 1437. I would be happy to answer any questions you may have.

Townships in South Half of McHenry County



PROPOSED AMENDMENTS TO HOUSE BILL NO. 1437

Page 2, line 1, replace eight with twelve.

Page 2, line 11, after word necessary, insert:

And moneys out of the Environment and Rangeland Protection Fund in the state treasury, not otherwise appropriated, the sum of \$600,000, or so much of the sum as may be necessary,

Re-number accordingly



Testimony of Brenda Elmer, executive director

North Dakota Corn Growers Association

In SUPPORT of HB 1437

March 17, 2023

Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee,

Thank you for allowing me to share our support of House Bill 1437. For the record, my name is Brenda Elmer, and I am the executive director of the North Dakota Corn Growers Association (NDCGA), which is the voice of the more than 13,000 corn growers across the state at the grass roots level for issues that impact corn producers.

In December, Governor Burgum joined NDSU at the Capitol to unveil a first of its kind comprehensive study of the economic contribution of agriculture in the state. For the year 2020, agriculture contributed nearly \$31 billion to the economy and more than 110,000 jobs. The impact of agriculture was much more than we imagined and the state of ag in North Dakota is promising.

HB 1437 would provide the funding and guidance for townships and counties to identify suitable locations for economic development in those local areas. When local governments are short on personnel and resources, it's no surprise that such planning for economic development falls at the bottom or even off the list. It's in the best interest of the state to help identify, in advance of project site area determination, the availability of infrastructure and natural resources and all possible suitable locations for agriculture-related economic development projects and to ensure that the community is as ready as possible when the next big ag processing project is announced. To do so otherwise is hampering the state's efforts to attract viable development not only in livestock, but other rural economic development projects.

North Dakota annually produces about 400 million bushels of corn with about half dedicated to ethanol production throughout the state. Each bushel of corn processed by North Dakota ethanol plants produces about 15 pounds of livestock feed (dried distillers grains), yielding nearly 1.5 million total tons of livestock feed, including dry distillers grains, a high-protein feed sought after by livestock producers. HB 1437 would aid in the identification of potential value-added ag locations across the state and assist economic partners in connecting with the right opportunities and local governments.

This bill would move North Dakota in a positive direction towards expanding agricultural development which in turn aids producers of corn and other commodities in building valuable markets. We urge your support of HB 1437. Thank you for your time today and I stand for any questions you may have.



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Testimony of Dana Hager
Economic Development Association of North Dakota
In Support of HB 1437
March 17, 2023

Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee:

My name is Dana Hager, and I am the executive director of the Economic Development Association of North Dakota (EDND). EDND represents more than 80 state economic development organizations and businesses on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to promote the creation of new wealth throughout North Dakota, develop more vibrant communities and improve quality of life. I want to express our support for HB 1437.

EDND places value in expanding economic diversification to strengthen and support our communities. North Dakota's long-term future depends on healthy and vibrant communities full of opportunity, innovation, and effective tools to attract growth.

HB 1437 is an economic development tool to conduct rural site analysis opportunities throughout the state. This valuable research-based information will help economic developers and community leaders make well-informed decisions to support local development and planning initiatives for communities of all sizes. The rural development tool outlined in this bill will assist many communities in taking a critical inventory of their resources to attract businesses and growth. Our members see this bill as an opportunity to position themselves positively for future development and growth. Many would not have the means to gather this specific information on their own.

Thank you for the opportunity to express our support for HB 1437 and for your continued commitment to North Dakota communities.

23.0592.04002
Title.05000

Adopted by the Senate Agriculture and
Veterans Affairs Committee
March 23, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1437

Page 1, line 16, remove "confined"

Page 2, line 1, replace "eight" with "twelve"

Page 2, line 8, after "**APPROPRIATION**" insert "**- ENVIRONMENT AND RANGELAND
PROTECTION FUND**"

Page 2, line 10, replace "general fund" with "environment and rangeland protection fund"

Page 2, line 11, replace "\$600,000," with "\$1,200,000"

Page 2, line 12, remove "confined"

Renumber accordingly