

2015 SENATE ENERGY AND NATURAL RESOURCES

SB 2297

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources
Fort Lincoln Room, State Capitol

SB 2297
1/29/2015
22785

- Subcommittee
 Conference Committee

Committee Clerk Signature

Katie Oliver

Explanation or reason for introduction of bill/resolution:

To provide for a general fund transfer and to provide an appropriation to the game and fish department for the private land habitat and access improvement program.

Minutes:

3 Attachments

Senator Grabinger: District 17. (Attachment #1) (:30-5:53)

Chairman Schaible: Give me an idea on what type of programs you want to work with on this?

Senator Grabinger: What I am looking at is we are seeing few of the shelter belts going back in place. A lot of it has gone back into agriculture; I don't hold that against our farmers. When they do that it takes away our wildlife sanctuary. Lease programs for food plots, leasing lands along section lines to put in shelter belts. There are already programs out there also the heritage fund has put money towards it. This would be a more serious effort, money from the general fund to the game and fish.

Chairman Schaible: Say we use a tree program of some kind, if this one would be used for this and the land owner took advantage of that would their land be open for public hunting.

Senator Grabinger: It is not spelled out in the bill.

Chairman Schaible: I live in an area where there is more cover and even though the numbers has gone down because of weather related incidents. In retrospect to that we have also been involved with CRP in vast amounts of acres I would intend that better managed CRP produces just as much, or more.

Senator Grabinger: It is from what I have seen. Places where I used to hunt as a child. Trees are gone, slews are drained, it is a whole different aspect from what I saw when I was younger. There is an argument that the weather is cause for the numbers drop. I have to believe that if there is no place for them to go you will see the numbers fall

Chairman Schaible: The money would be allocated to game and fish.

Vice Chair Unruh: You mentioned that you are not the expert in wildlife management but if we are going to spend \$30,000,000 on a program to try and get the wildlife populations up to where they were 8 years ago we are going to need more information.

Mike McEnroe: Bismarck, spoke in favor of the bill. (Attachment #2) (13:13-18:02)

Chairman Schaible: It was mentioned that CRP at 3,400,000 acres provided \$120,000,000 annually. There is a thought that CRP has an adverse effect on our small communities and some of our farming operations that cost more than that. Can you comment on that?

Mike McEnroe: CRP did provide cash, granted there was less money spent on seed, annual crop sales, but it brought cash into the community.

Senator Triplett: When you say it would get us back the departments and then governor Hoven's goal of 1,000,000 acre plot program. I am wondering if you mean that literally if you think that this amount of money would accomplish that objective or more that it would get us going in the right direction.

Mike McEnroe: If all \$30,000,000 was devoted solely for plot access it would get us back to the million acre goal. Realistically I would like to see this used partially for habitat.

Mike Donahue: North Dakota Wildlife Federation. We support a do pass to give the department some general fund money to implement the programs on the books.

Pete Hanebutt: North Dakota Farm Bureau. I think we should stay with this path and the legislative priority this year for North Dakota Farm Bureau says that we should encourage legislators to the limit state government. We hope you will not look favorably on this.

Senator Laffen: We have someone here who is on the heritage fund, I have questions.

Wade Moser: Chairman of the Outdoor Heritage Fund Board.

Senator Laffen: Can we get a breakdown of where the money went. Clarify for me, the money that is being spent on that program, is it \$50,000,000 per biennium.

Wade Moser: In the governor's recommendation is \$50,000,000 next year. I am handing out something that we can make available to the committee that is going to address our policy and procedures of how we suggest funding for the Outdoor Heritage grant program. (Attachment #3) (24:48-25:47)

Senator Laffen: Are any of them doubled up?

Wade Moser: They are not doubled up; they are listed under their primary directives.

Senator Triplett: What you are asking for seems pretty focused but if you turn to the second page there are some of those that seem like they really wouldn't do a lot towards the enhancement of wildlife.

Wade Moser: The applicant puts what their primary goal is. What they want is to build duck nests and put those out in the state.

Senator Murphy: Does game and fish have someone here.

Scott Peterson: Deputy Director Game and Fish

Senator Murphy: What do you think?

Scott Peterson: Our strategy is to monitor the bill; we are not taking a position for or against. Whatever happens we will make it work to the best of our ability

Senator Triplett: Could we ask you what you currently have going in your department?

Scott Peterson: The program that we use is a special line item, the Private Land Access and Improvement Fund, is currently at about \$12,000,000, 21% of our overall budget. That money is not all used for habitat creation. There are a lot of activities besides what Senator Grabinger would consider habitat creation. There are also cost share payments to landowners; I wish I could tell you how much is going towards habitat creation. I can't give you a specific breakdown.

Senator Triplett: Is the \$12,000,000 per biennium or per year?

Scott Peterson: That is a biennial number.

Chairman Schaible: Can you go over the PLOTS program.

Scott Peterson: It has a lot of programs built within it, for instance one of the programs that was referenced was the CRP cost share. We offered up a piggyback payment, there is also a working lands programs for access to habitat. There is a food plot program that pays for establishing winter food lots. Typically there is a public access provisions built in to the program.

Senator Armstrong: It seems that there has been more of a focus as to what land goes in the plots and I am not seeing that anymore. Has there been a shift as to what is allowed in the program?

Scott Peterson: Yes, in the early days the goal was to get access acreage out there. When we talk about what an infusion like this, of course we can get back to that many acres. We don't want to put it out there to look good on paper; we want our sports people to be happy.

Senator Murphy: I have been stunned at the quality of the land for the cover lock program.

Scott Peterson: I am not an expert on that program but I believe it is more of a habitat and they are under a short term agreement. Cover locks is tied in there is a 15 year contrast and the game and fish is paid for an additional 15 years.

Senator Triplett: Can you respond to the concerns by the chairman that exceptionally cold winters and disease are the cause of the wildlife numbers decreasing and not lack of habitat land. Have you made an attempt to quantify these numbers?

Scott Peterson: We have tried to quantify those which are still inconclusive. All of those things that you mentioned certainly play a role in the wildlife populations. But if they do not have habitat nothing will happen.

Senator Triplett: It was indicated that even though Senator Grabinger focused his testimony on your authorization but he didn't intend for it to be public access. Would we have to create a whole separate program or do you have programs currently that are about habitat and not hunting.

Scott Peterson: We have those programs, we wouldn't have to create more policies if, without a pub access provision, to create on a landscape. To do it to the tune of \$30,000,000 is a lot.

Senator Laffen: It was mentioned that we were losing water resources for habitat. My perception is that we are not draining farm land anymore but it can't be a drop in the bucket to water resources.

Scott Peterson: I know that there is talk about wetland draining and there is a lot of tile draining taking place. We have been in a wet cycle for 20 years, the argument isn't that we are draining wetlands but there are concerns out there.

Senator Hogue: I am not sure the makeup of the advisory committee, what is the level of commination between game and fish and the fund as far as coordination of funding and what they are funding.

Scott Peterson: I will speak to it from my perspective but the game and fish has a rep on the heritage board so we do not have concerns about the communication that is taking place. We were awarded a grant and we leverage it with federal dollars. It just makes things stretch farther.

Wade Moser: There are 16 people on the board of which 4 are ex officials and the Game and Fish Directors is one of those ex officials. The 12 voting members are 4 from agriculture, 4 from wildlife, 2 from energy, 1 from business and 1 from parks and rec. We have approved grant for the PLOTS program. It is one of our very successful programs.

Senator Laffen: \$19,000,000 is put in by the citizens of North Dakota and it has leveraged \$81,000,000, if am I understanding that correct.

Wade Moser: Yes.

Senator Laffen: Of that other \$60,000,000 is that all private and federal funds or are there state money in there as well.

There was no further testimony and the hearing was closed.

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Minutes:

1 attachment

Senator Murphy: I have an amendment being crafted I would ask that we hold off on acting on this until we get that. The idea is that the fiscal note would drop down to \$10,000,000 and starting this biennium would ask for \$5,000,0000 a year for the next 6 years. The department could handle that, no new full time employees, work with their current programs and better able to use the money in a timelier manner. It is a continuing appropriation. It might take away the angst of the farm group to a large degree because it isn't a significant growth of government.

Chairman Schaible: The handout is from Wade Moser. See attachment #1. He thought there were questions during testimony during the hearing about the heritage fund. It is not the complete application but it shows game and fish's' application.

Senator Triplett: Is this an application that was approved by them?

Vice Chair Unruh: While appreciate the amendment I won't be able to support the bill either amended or not.

Senator Murphy: I have a sense of where this bill is going but I am just asking for the courtesy to the sponsor.

Chairman Schaible: I think that it is our position to put it in the best form even if it is failed.

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1 attachment

Senator Murphy brought and explained the amendment. See attachment 1.

Senator Armstrong made a motion to adopt the amendment with a second by Vice Chair Unruh.

Senator Triplett: How do you read this to be a continuing appropriation?

Senator Murphy: I didn't look at it in context. In that case, given our time restraints, let's keep it the way the amendments read.

Chairman Schaible Add more as the years come.

There was no further discussion, roll was taken, the amendment was adopted on a 7-0-0 count. Senator Armstrong then moved a do not pass as amended with a second by Vice Chair Unruh. There was no further discussion, roll was taken and the motion passed with a 5-2-0 count with Vice Chair Unruh carrying the bill to the floor.

Chairman Schaible closed committee work on SB 2297.

1/30/15
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PROPOSED AMENDMENTS TO SENATE BILL NO. 2297

Page 1, line 7, replace "\$30,000,000" with "\$10,000,000"

Page 1, line 14, replace "**GAME AND FISH DEPARTMENT**" with "**LIMITATION**"

Page 1, line 17, replace "\$30,000,000" with "\$10,000,000"

Page 1, line 19, after the period insert "The department may not spend more than \$5,000,000
of this appropriation in each fiscal year of the biennium."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2297: Energy and Natural Resources Committee (Sen. Schaible, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO NOT PASS (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2297 was
placed on the Sixth order on the calendar.

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Renumber accordingly

2015 TESTIMONY

SB 2297

1.1

1/29/15

Good morning Chairman Schaible and committee members. I join you this morning to introduce you to SB2297. If passed by this legislature, we would no doubt be setting precedence with this bill. This would for the first time in my recollection that general fund monies have been utilized for the game and fish dept. I do know that just two sessions ago, the legislature first earmarked general fund money for the dept. of Transportation which hadn't been done before. Former Governor Hoeven saw the need then and we have since expanded on that effort greatly and with much success. I firmly believe that it is time we, as a state, take this step over a tall tall bridge again. It's time to make a serious commitment to the needs of our wildlife and the habitat that is vital to not only their immediate survival, but the long term success of our game animals and birds. I think we all here have probably seen many shelter belts across the state that have been torn up and not replaced. You probably are well aware of the incredible amount of

CRP acres available to the wildlife across this state, that have been taken out of the program, thus no longer providing the sanctuary they did for these creatures. If passed this bill is intended to utilize the already existing experts that we have employed at the game and fish Dept. to expand an existing program that the Director can already coordinate under current law. The amount of funds is intended to allow the Dept. enough funding to work with landowners, farmers and other stakeholders to put for example, shelter belts back along section lines, food plots on land that may not be best suited for agriculture purposes, just to name a couple of suggestions. This money could be used to purchase the needed seed, saplings, equipment to do the work, leases for acres placed in the program and other items as the director may deem necessary to make the program successful. I see this program as being somewhat similar to the PLOTS program already administered by the game and fish Dept. If this is as successful of a program as PLOTS and we

partner with the farmer, which was my intent, I feel that this could have a dramatic impact on wildlife for the future, so that your children or grandchildren and mine are able to enjoy the same ability to experience nature like we have. Let's face it folks, the very number of deer licenses sold is nearly a quarter of what it was, pheasant and grouse numbers keep going down, and the number of antelope has not produced to the point where we can claim they're alright either. Some may say that due to measure 5 being defeated, the people have spoken and made it clear they don't feel we should be allocating funds for an effort to help wildlife. I couldn't disagree more and that was my biggest fear when that was placed on the ballot. If it failed (as it did) would our legislature then be reluctant to pursue an effort to truly assist habitat rather than suggesting that our heritage fund is the way. My only comment is this would go towards habitat rather than buying playground equipment and primitive toilets. This folks would be a serious

1.4

effort that would provide funding to get the program off the ground and would be in addition to the game and fish dept. existing efforts. Let's face it, North Dakotans love to hunt and they're willing to take moderate measures to ensure future generations have the same opportunity. I thank you for this opportunity to bring this forward and would certainly appreciate you giving your support to this bill.

20.1-02-05. Powers of director.

The director may:

1. Fix the salaries and the necessary travel and other expenses of department personnel subject to law and legislative appropriations.

2. Employ any part-time personnel necessary to run the director's office and remove the employees at will. Salaries and necessary traveling and other expenses of these appointees must be authorized, audited, and paid in the same manner as salaries and expenses of state officers.

3. Accept from any person, or gather, or purchase, fish, spawn, or fry, for distribution in state waters.

4. Take alive at any time, under the director's personal supervision or under the personal supervision of any of the director's bonded appointees, any birds or animals for propagation purposes or for exchange with other states and foreign countries for game birds and animals of other species.

5. Order additional protection for any fish with an open season when, after investigation, the director finds danger of extinction, undue depletion in any waters, or to aid in the propagation and protection of immature fish, by prescribing how, how many, where, and when the fish may be taken. The orders have the force of law.

6. Take or cause to be taken at any time from any state public waters any suckers, carp, or pickerel.

7. With the governor's approval, purchase, lease, or, subject to chapter 32-15, condemn real estate, when it is required to carry out this title, and sell it when it is no longer required, in the name of the state.

8. Lease up to ninety-nine years any department land, for the purpose of development and improvement, to any nonprofit corporation, upon consideration of specified improvements to be made by the corporation and other improvements the department and the corporation may agree upon. The lease must provide that all funds received by the corporation through lease of the property be expended upon the leased premises for development and improvements. The corporation has the authority, subject to approval by the director, to sublease the premises for cabin sites and other recreational purposes. Upon termination of the lease, the leased property, together with all improvements, reverts to the department.

9. Secure specimens of game birds, animals, and fish for breeding purposes by purchase or otherwise and by exchange with the game commissions or state game wardens of other states or countries.

10. Issue special permits to shoot wildlife from a stationary motor vehicle upon application from individuals who are physically unable to walk for purposes of hunting or taking wildlife or who have lost the use of an arm at or below the elbow. The application must be accompanied by a physician's statement verifying the person's condition, and if used to hunt on lands controlled by the board of university and school lands, must designate the land on which the individual intends to hunt. The permittee must have permission from the lessee and the commissioner of university and school lands to hunt on lands controlled by the board of university and school lands. A permit issued under this subsection allows the permittee to drive, or to be driven, onto any land for the purposes of hunting wildlife, except that neither any other passenger within the vehicle nor the driver, if someone other than the permittee, may be a hunter, unless the other person is also a permittee. Provided, however, that if the land is privately owned and if the permittee is not going to drive or be driven along an established road or trail, the permittee must first obtain the consent of the owner or lessee to hunt on the land in the manner provided in this title.

11. Issue to any individual who is blind, is a paraplegic, or who has lost the use of one or both arms a special permit to hunt game with a crossbow if that individual otherwise complies with and qualifies under the licensing and other provisions of this title. Battery-powered and electronic-lighted sight pins and telescopic sights not exceeding a maximum power of four by thirty-two millimeters may be attached to crossbows used for hunting under this subsection. However, an individual who is blind and who receives a special permit to hunt game with a crossbow under this subsection may hunt only on a preserve or area approved by the director. For purposes of this subsection, an individual who is blind means an individual who is totally blind, whose central visual acuity does not exceed twenty-two hundred in the better eye with corrective lenses, or in whom the widest diameter of the visual field is no greater than twenty degrees.

12. Issue any resident license and adopt rules if necessary to carry out resident licensing for each of the following, except a lottery permit or license may be issued only to an individual who qualifies as a resident under subdivision a:

a. A resident who is eligible for a license under this title, except that the director shall issue a license on proper application. A resident who is eighteen years of age or older must submit a valid driver's license number from this state or valid nondriver photo identification number issued by this state before the director may issue a license.

b. An individual who has come to the state with a bona fide intention of becoming a resident, even though that individual has not been a resident of this state for the required time period immediately preceding the application for the license. However, an individual who is eighteen years of age or older is not eligible for a resident license under this subsection unless that individual first produces a driver's license number from this state or a nondriver photo identification number issued by this state and submits an affidavit of a bona fide resident setting forth the actual conditions of residency. An individual is not eligible for a resident license under

this subsection if the individual maintains a valid resident hunting-related or fishing-related license from another state or country, unless the license is a lifetime license.

c. An individual who is a member of the United States armed forces and who is within the state on duty or leave.

d. An employee of the United States fish and wildlife service or the conservation department of any state or province of Canada in the state to advise or consult with the department.

e. A nonresident full-time student living in this state who is attending an institution under the jurisdiction of the state board of higher education, a private institution of higher education, or a tribal college. A license may not be issued under this subdivision unless a valid student identification number accompanies the application.

f. A resident of this state who applies for a resident deer hunting license, is a member of the United States armed forces stationed outside this state, who shows proof of North Dakota residence, including a driver's license number from this state or a nondriver photo identification number from this state, and who pays the appropriate licensing fee, except the director shall issue the resident deer hunting license on proper application. A deer license issued to a member of the United States armed forces under this subdivision must be issued without being subject to the lottery for deer hunting licenses.

13. Adopt rules, and issue permits for the transporting or introducing of fish, fish eggs, small game, big game, or fur-bearers after determining that the fish, fish eggs, birds, or animals have been properly inspected for disease, and that the transplanting or introduction will be in compliance with state laws and rules. No person may transplant or introduce any fish or fish eggs into any of the public waters of this state, or transplant or introduce any species of small game, big game, or fur-bearers into this state without obtaining a permit from the director.

14. Pursuant to section 4-01-17.1, cooperate with the agriculture commissioner, the United States fish and wildlife service, and other agencies in the destruction of predatory animals, destructive birds, and injurious field rodents. The director may adopt rules in accordance with organized and systematic plans of the department of the interior for the destruction of these birds and animals. The director may determine the necessity and issue permits and rules and regulations therefor for the operation and use of private aircraft to assist in the destruction of the above birds and animals and aid in the administration or protection of land, water, wildlife, livestock, domesticated animals, human life, or crops.

15. Exercise authority to establish programs and rules and administer state and federal funds provided to the state for the preservation and management of resident species determined by the director to be threatened or endangered species of wildlife. The authority exercised must be in compliance with the Endangered Species Act of 1973, Public Law 93-205. Any person who violates rules adopted under this subsection is guilty of a class B misdemeanor.

16. Provide for the funding of a private land habitat and access improvement program with moneys derived from the interest earned on the game and fish fund and habitat restoration stamp fees. The director shall place these funds in a special fund called the "game and fish department private land habitat and access improvement fund".

17. Carry out a private land habitat and access improvement program by:

a. Entering cost-sharing, habitat enhancement, and access agreements with landowners or agencies working on private land to help defray all or a portion of their share of local, state, or federally sponsored conservation practices considered beneficial to fish and wildlife.

b. Leasing and developing fish and wildlife habitat or sport fishing areas on private land. Except for purposes of subdivision i, public access to leased land may not be prohibited.

c. Carrying out practices that will alleviate depredations caused by predatory animals and big game animals.

d. Publishing a brochure on an annual basis describing areas funded from the game and fish department private land habitat and access improvement fund which are open to public access in this state.

e. Receiving advice from the game and fish advisory board concerning expenditures from the game and fish department private land habitat and access improvement fund.

f. Working with livestock producers experiencing chronic deer depredation problems to develop site-specific deer depredation management plans.

g. Giving first consideration to producers impacted by deer foraging on stored winter forage when purchasing winter deer management supplies.

h. Making available the sum of one million dollars from each biennial game and fish department appropriation to be used to provide feeding and other winter management practices to alleviate depredation caused by big game animals. Any unexpended funds under this subdivision, up to two million dollars, are not subject to section 54-44.1-11 and may be carried forward for expenditure in future bienniums.

i. Making available the sum of one hundred thousand dollars from each biennial game and fish department appropriation to be used for food plots on private property for the purpose of providing winter feed. These food plots are not subject to public access considerations.

18. Subject to prior approval of the attorney general, lease or exchange lands under the

director's jurisdiction or control which are deemed necessary for the improved management of wildlife resources.

19. Subject to prior approval of the attorney general, impose any conditions or reservations to the leases or exchanges as the director determines necessary.

20. Adopt rules and issue permits for conducting fishing contests involving public waters of the state. The director by rule shall define the term "fishing contest" and shall set criteria for which a fishing contest permit is required. The director may deny permits. No person may conduct a fishing contest on public waters without first receiving a permit issued by the director.

21. Issue duplicates of lost or destroyed game and fish licenses or permits. The procedure for reissuing the licenses or permits and fees to be charged must be prescribed by the director by rule.

22. Establish noncriminal penalties for any rules adopted by the director. The maximum noncriminal penalty that may be set by the director is a fine of two hundred fifty dollars. Violation of any rule not designated as having a noncriminal penalty is considered a criminal violation as established in the appropriate chapter of this title.

23. Issue, as a means of encouraging and promoting economic development in this state, complimentary fishing licenses to nonresident visiting dignitaries. The circumstances and conditions of complimentary fishing licenses issued must be determined by the director. The number of complimentary licenses may not exceed fifty licenses per year. The director shall determine the visiting dignitaries to be of national or international stature before they are eligible for complimentary licenses.

24. Carry out a coyote depredation prevention program by conducting practices that will alleviate depredations caused by coyotes.

25. Issue, as a means of rewarding dedication to teaching firearm hunter safety, complimentary lifetime resident certificates and combination licenses provided under section 20.1-03-11.1 to resident certified hunter education volunteer instructors. Eligible persons must have served as a lead or assistant certified hunter education volunteer instructor in this state for a minimum of one course in each of thirty years. The license is known as the "lifetime combination license" and must be signed by the director and the person receiving the license. The license must be revoked by the director if the licenseholder is convicted of a felony or found to have violated any provision of this title.

26. Carry out a program that targets waterfowl resting areas within the private lands initiative program which includes payments to private landowners for lease of waterfowl resting areas on private lands that during the term of the lease provides limited public access for the hunting of waterfowl.

27. Issue free hunting licenses to an organization that sponsors hunting trips for

terminally ill children. A license issued under this subsection may be used by an individual sponsored by the organization to hunt the species indicated on the license.

28. Authorize individuals with valid antlerless deer licenses to take deer on private lands determined by the director to be severely impacted by deer. Before authorizing individuals under this subsection, the director must attempt other measures and determine them to be ineffective. A landowner dissatisfied with a decision of the director under this subsection may submit the decision to the agricultural mediation service for mandatory mediation. A decision of an agricultural mediation service negotiator is subject to review by the credit review board. A decision of the credit review board under this subsection is final. The director may authorize individuals to take deer under this subsection between December first of a year through January fifteenth of the following year.

2.1

**SENATE ENERGY AND NATURAL
RESOURCES COMMITTEE
JANUARY 29, 2015
SB 2297**

Chairman Schaible and Members of the Committee:

For the record; Mike McEnroe of Bismarck. I am a retired wildlife biologist, duck hunter, decoy carver, and owner of too many hunting dogs.

I am here today in support of SB 2297, to provide \$ 30 million per biennium to the North Dakota Game and Fish Department for habitat and access programs. This bill is an excellent companion to House Bills 1013, increasing the State's Outdoor Heritage Program from \$ 30 million to \$ 50 million per biennium as outlined in the Governor Dalrymple's budget, and House Bill 1409 clarifying procedures for the Outdoor Heritage Fund.

SB 2297 focuses on habitat development and providing access for sportsmen and women. Hunting and fishing in North Dakota are big business; according to a GFD study contributing \$ 1.4 billion annually in sales, salary and business in our State. SB 2297 provides habitat and wildlife infrastructure to support and maintain the State's outdoor tourism industry.

\$ 30 million is a big number, but conservation is a big number. The USDA's Conservation Reserve Program (CRP), when it enrolled 3.4 million acres of land in North Dakota, provided \$

120 million annually in revenue to our state's landowners and farmers and ranchers. Those were big numbers.

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Some will say \$ 30 million is too much. But the Governor's proposed budget is in excess of \$ 15 billion. \$ 30 million to support fish and wildlife, conservation and our outdoor tourism industry is 0.2 percent of the State's budget. It's not coffee change, but it is a rounding error in the State's total budget. It won't break the bank; it won't stop support for schools, roads, law enforcement, or tax relief.

SB 2297 provides this funding to a State agency, not to out-of-state conservation groups.

It would go to proven habitat programs within the GFD like their Coverlocks Program or the Private Land Open to Sportsmen (PLOTS) program. The PLOTS program has decreased in size from 1.1 million acres to 730,000 acres in the last 6 years, largely due to the reduction in the CRP program and higher cash rent prices. It would get us back to the Department's, and then Governor Hoeven's, goal of a 1 million-acre PLOTS program.

One suggestion would be to amend SB 2297 to have a continuing appropriation. That way the Game and Fish Department could staff up and manage a long-term program. I would recommend that the Department develop and provide a plan or vision document for the increased habitat and access funding. Sportsmen and women and the Legislature could then measure and assess the success of the programs provided by SB 2297.

Mr. Chairman and members of the Committee, I respectfully ask for a "Do Pass" vote on SB 2297. I would answer any questions the Committee may have.



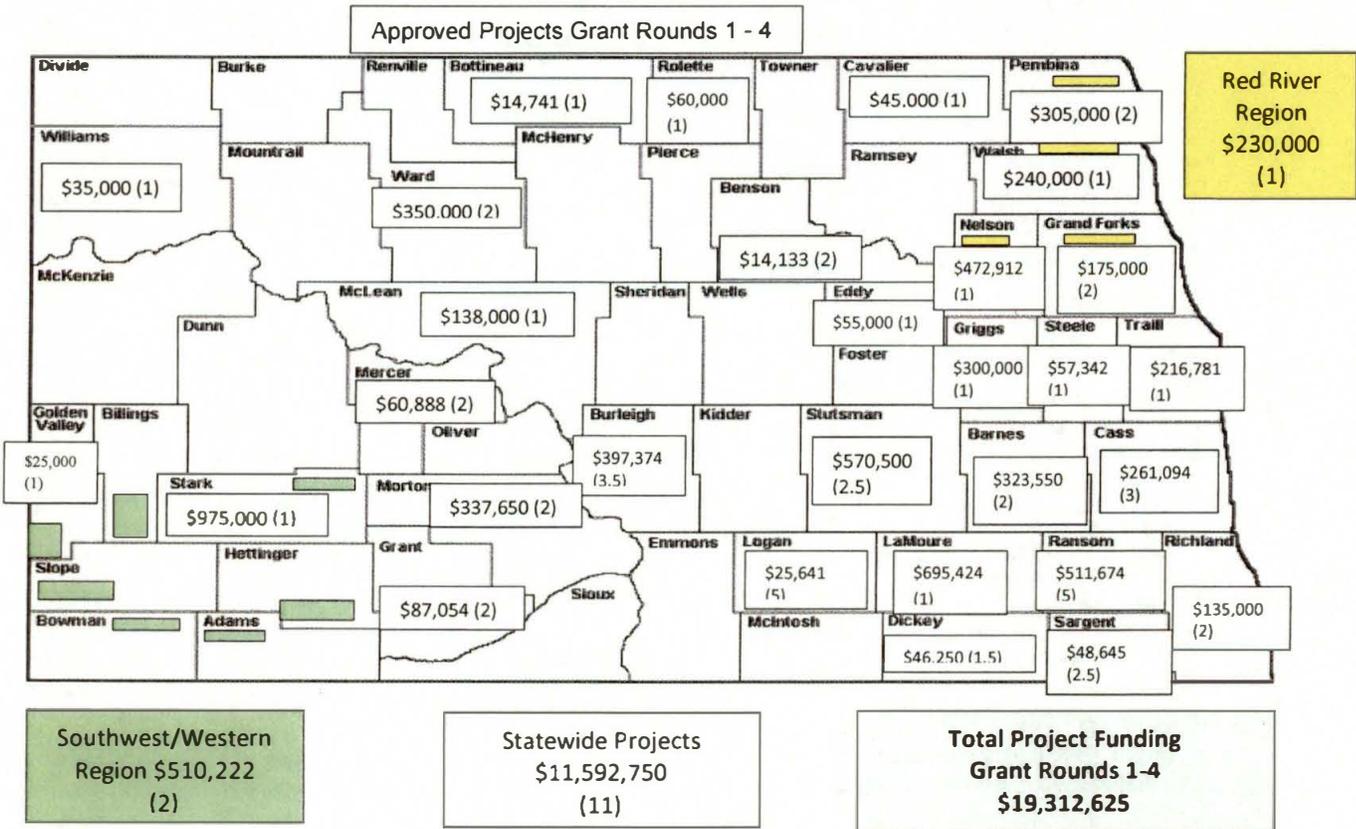
Background - The Outdoor Heritage Fund (OHF) was created by the legislature in 2013. The fund, capped at \$30 million per biennium, is governed by the Industrial Commission consisting of Governor Jack Dalrymple, Chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Doug Goehring. A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

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

- Directive A** - Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
- Directive B** - Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems and to support other practices of stewardship to enhance farming and ranching;
- Directive C** - Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and
- Directive D** - Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Funding Guidelines

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



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

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

Additional Directive: (select the directives that also apply to the grant application purpose)*
Choose all that apply

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

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

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

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

Type of organization: (select the category that describes your organization)*

- State Agency
- Political Subdivision
- Tribal Entity
- Tax-exempt, nonprofit corporation.

Project Name* North Dakota Pheasant Habitat Initiative

Abstract/Executive Summary. An Executive Summary of the project stating its objectives, expected results, duration, total project costs and participants.* (no more than 500 words)

Objective:

The objective of this proposal is to utilize OHF to assist the Department in fulfilling its mission statement and achieving goals identified in its 10-year pheasant plan. Delivered through the PLOTS program, the NDPHI will utilize existing Department private lands biologists, already working with private landowners and implementing a variety of conservation practices on private lands. This proposal will leverage OHF project funds with federal USDA funding and existing PLOTS funding to maximize benefits for habitat conservation, water quality, and public hunting access while providing private landowners compensation, cost share and incentives for implementing voluntary conservation practices on their land.

Expected Results:

OHF will be used to assist the Department in achieving goals outlined in its 10-year pheasant plan. The pheasant plan contains several components that set out to maintain an annual harvest of 600,000 roosters; develop or maintain 200,000 acres of grass plantings, develop 20,000 acre of shrub and winter cover, improve 5,000 acres of hayland/grazing land, develop 5,000 acres of wildlife food plots and high diversity cover crops and implement 5,000 acres of tall stubble management over the 10-year

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pheasant plan period. The Department will utilize OHF for one specific component of the pheasant plan – as match for the USDA Conservation Reserve Enhancement Program (CREP), which will contribute approximately 50,000 acres towards the 200,000 acres grassland goal.

The Department has partnered with USDA Farm Service Agency (FSA) to initiate a new CREP for a 17-county area with a potential to enroll up to 50,000 acres. CREP is an offshoot of CRP. Administered by the FSA, CREP targets high-priority conservation issues identified by local, state, or tribal governments or non-governmental organizations. In exchange for removing environmentally sensitive land from production and introducing conservation practices, farmers and ranchers are paid an annual rental rate from FSA with additional incentives coming from state partners.

Total Project Costs:

Total OHF project cost over the 5 year grant period will be \$3 million; which will be leveraged with \$34M of federal CREP funding. An additional \$1.2M will be provided through the PLOTS program for payments on adjacent non-CREP acres. \$156,750 of Department private lands biologists salaries, vehicle mileage and equipment such as signs and posts will be used as indirect match and \$2,500 of Department funds will be used as other match for promotion, information and education for the project. The grand total project cost is \$38 million.

NOTE: The \$3 million of OHF funds being requested through this proposal is only partial funding needed to implement a 50,000-acre CREP. To fully implement a 50,000-acre CREP, an estimated \$7.3M in total state partner funds is needed. The Department is prepared to cover approximately \$2.3M of this over the CREP project period; however, it will be necessary for the Department to seek additional partners or future OHF requests to cover the balance needed. If future funds are not secured, the CREP project acreage will simply be reduced.

Participants:

- North Dakota Game and Fish Department (grantee)
- Private landowners
- Hunters/sportsmen
- USDA- Farm Service Agency
- Pheasants Forever

Project Duration:* 5 years

Amount of Grant request \$ * \$3 million

Total Project Costs \$* Approximately \$38 million

(Note that in-kind and indirect costs can be used for matching funds)

A minimum of 25% Match Funding is strongly encouraged. Amount of Matching Funds \$*

Approximately \$35 million

Source(s) of Matching Funds*

- North Dakota Game and Fish Department PLOTS (\$1,359,250)
 - Program incentives and cost share (cash)
 - Staff time, mileage, indirect and other costs (indirect)

OHF funding

North Dakota Game and Fish Department Pheasant Habitat Initiative

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Totals
Habitat Development (a)	\$3,000,000	\$1,200,000		\$2,500	\$34,000,000	\$38,202,500
Private Land Biologist (b)				\$110,000		\$110,000
Signs/Posts/Equipment (c)				\$31,750		\$31,750
Mileage (d)				\$15,000		\$15,000
Totals	\$3,000,000	\$1,200,000	\$0	\$159,250	\$34,000,000	\$38,359,250

Budget Narrative

(a) Habitat Development

OHF Request: (\$3M) - Habitat Incentive on CREP acres

Applicant's Cash Match: (\$1.2M) PLOTS - habitat and access payments on adjacent non-CREP acres, cost share on CREP acres

Applicant's Indirect Match: Information and education, outreach, promotional materials, landowner mailings, landowner workshops. Approximately \$2,500.

Other Project Sponsor's Share: (\$34M) USDA CREP rental payments, incentives and cost share

(b) Private Land Biologist: 5 private lands biologists/staff will deliver OHF dollars through agreements with private landowners. Estimated 2,500 hours at an average of \$28/hour. Approximately \$70,000 salaries, \$40,000 indirect.

(c) Signs/Posts/Equipment: Estimated 2,500 signs and posts. Signs @6.20 per sign. Posts @\$6.50 per post. Approximately \$31,750.

(d) Mileage: Estimated travel for landowner meetings, field site visits, agreement compliance checks, etc... Estimated 600 miles per year @ \$.55 per mile, 5 private lands staff. Approximately \$15,000

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Title.

Prepared by the Legislative Council staff for
Senator Murphy

January 30, 2015

Attachment 1.1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2297

Page 1, line 7, replace "\$30,000,000" with "\$10,000,000"

Page 1, line 14, replace "**GAME AND FISH DEPARTMENT**" with "**LIMITATION**"

Page 1, line 17, replace "\$30,000,000" with "\$10,000,000"

Page 1, line 19, after the period insert "The department may not spend more than \$5,000,000
of this appropriation in each fiscal year of the biennium."

Renumber accordingly