

1999 SENATE AGRICULTURE
SB 2433

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2433

Senate Agriculture Committee

Conference Committee

Hearing Date 2/11/99

Tape Number	Side A	Side B	Meter #
1	X		5797-END
1		X	0-END
2	X		0-2905
2/12	1	X	2,777-5600
2/15	1	X	3020-5562
Committee Clerk Signature <i>Tricia Jorgensen</i>			

Minutes:

Senator Klein called the meeting to order, roll call was taken all were present.

Senator Klein opened the hearing on SB 2433.

Senator Wanzek introduced the bill. Handed out an article. Issue brings out emotional feelings.

This bill would put everyone on an even playing field when it comes to buying land.

Senator Sand: I'm not sure about throwing this money at the county, they don't have to account for it.

Senator Wanzek: I first thought to bring it into the school with a trust fund, my second thought was a special fund to offset property tax, my conclusion was that we elect county commissioners, and it was a personal decision, hope would use money to help.

Senator Klein: My concern is that as property is bought, county could lose tax money.

Senator Wanzek: Yes in a sense but they do typically pay tax.

Senator Sand: Whoever pays that 30% and put it in a windfall and it's gone that party doesn't get credit down through the ages for their contribution, I think that fund needs to be preserved someplace.

Senator Wanzek: I don't think I would really be opposed if the committee felt they would want to consider that, I still feel that we elect those county commissioners, that money would be used within that county.

Senator Christmann spoke in favor of the bill. Wanted to add a personal touch to the bill.

Senator Klein: When we talk acquisition are talking actual purchase price or are we talking about, does this bill say they can't donate land without having to pay that 30% fee?

Senator Christmann: My understanding is that we are dealing with acquisition.

Senator Klein: The actual sale?

Senator Christmann: Yes.

Wade Moser from the ND Stockmen's Association spoke in favor of the bill. Having a large difficulty in getting the acquisition stopped or slowed down. This bill would be the first step.

Robert Faabee from the ND Grain Growers spoke in support of the bill. Felt this was a really good bill.

Senator Kinnoin: Wording in this bill would take care of that situation.

Senator Wanzek: We went through painstaking effort to take care of that.

Christopher Dodson from the ND Catholic Conference spoke in opposition of the bill. Concern is not with the intent but with the scope. Land is almost always going to be sold to a non farmer.

Is it fair to charge a non profit organization the 30% fee?

Senator Kinnoin: Your first example of a church expanding into an agricultural area in a metropolitan area, I think actually what you can do is petition the zoning board and have that zoned. The other illustration where you get land donated to you, that's probably a different situation.

Christopher Dodson: They are very different.

Senator Kinnoin: Prior to your purchasing you could have that zoned.

Christopher Dodson: That just raises another question.

Senator Kinnoin: I know you can petition the zoning board prior to purchasing that property.

Senator Kroeplin: If land it gifted to the church is it pretty typical that it will always be sold?

Christopher Dodson: That is my understanding.

Senator Kroeplin: Would a year time grace period give you time to resell it, would that take care of the problem.

Christopher Dodson: I don't have that answer.

Senator Wanzek: You gave the example of Wal-Mart, there is a big difference, Wal-Mart pays income tax, that's the point I am trying to make, somebody has a public policy advantage over somebody else because of a tax status.

Christopher Dodson: That situation is what we are dealing with.

Senator Wanzek: You might have to do what a lot of farmers have to do and that's go to the bank and borrow.

Bill Pfeifer from the ND Wildlife Society spoke in opposition of the bill. Testimony enclosed.

Senator Kinnoin: Your getting something for your dollars that you are putting in there, the farmers are doing something to oblige you as far as practices that are put on there to benefit your organizations.

Bill Pfeifer: There is some return there.

Senator Kinnoin: If that 1.6 billion generated through nonprofit type organizations and what they do, of that money don't you feel that the farmers in the state probably brought more people in to hunt and fish, that 1.6 billion isn't all from what the non-profits have done.

Bill Pfeifer: No that was the total generation from farmers also.

Senator Wanzek: I don't think I could disagree with you. I think we have same goals. You made a comment about sur charge, you already have an advantage there.

Bill Pfeifer: I'm not certain how all the funding is backed.

Senator Urlacher: Couldn't the organizations achieve the same thing through rental agreements with land owners.

Bill Pfeifer: I think they are interested in the long term preservation of a certain type of property.

Senator Kinnoin: Nonprofit organizations are not an unfair competitor as far as price is concerned. I can give you several examples in my county where that is not true.

Kevin Dvorak from the ND Community Foundation spoke in opposition of the bill. In a gift situation there is no competition. County doesn't need 30%.

Senator Wanzek: You typically resell the property. What if we put in an amendment that says if you resell within 2 years your fee would rewaive your refund.

Kevin Dvorak: That still goes to the area of paying that fee up front to get the property transferred.

Senator Wanzek: I can assure you that the intent was for the buyer to have equal opportunity.

Kevin Dvorak: That's great but the bill as written has all the consequences for all the nonprofit organizations.

Senator Sand: If my church had property and loses leadership taking care of it material things, this is the reason that you don't want to hold on to property.

Kevin Dvorak: We have no intention of holding on to any property.

Keith Trego from the ND Wetlands Trust spoke in opposition of the bill. The purpose of the Wetlands Trust is to look for ways to resolve conflict, and do demonstration projects that bring agriculture and conservation together.

Senator Wanzek: I'm not saying the efforts of these groups is not noble, I just hope we can come to a conclusion and we can work together.

Keith Trego: The balance of programs are weighted heavily to short term programs.

Joe Satrom from the Dakotas Program of the Nature Conservancy spoke in opposition of the bill.

Testimony enclosed.

Senator Wanzek: You say 30% would restrict the program, don't you think it inhibits farmers too?

Joe Satrom: I don't think it realistic to think there is a level playing field.

Senator Urlacher: Is there a different way we can accomplish these goals?

Joe Satrom: 9 out of 10 acres that the Nature Conservancy protects in this country is done through conservation easements.

Senator Wanzek: The biggest reason for this bill is because of the Sheyenne River Valley grazing association. They did a good job but don't they have any confidence in my generation of farmers and ranchers?

Joe Satrom: They are bachelors and have done a wonderful job taking care of the land. It's a unique wetland area too.

Al Wolf from the Health Systems spoke in opposition of the bill. Felt they needed input.

Paul Crary from the Cass County Wildlife Club spoke in opposition of the bill.

Senator Sand: I was wondering why our chairman didn't use 43% instead of 30%.

Senator Wanzek: I don't know I was trying to give them a break.

Senator Solberg spoke in support of the bill. Feels we need to get something started.

Senator Klein closed the hearing on SB 2433.

FEBRUARY 12, 1999

Discussion was held.

Senator Wanzek said he had been in contact with some nonprofit organizations and they had come to a compromise and that he would have to get amendments drawn up. Money wouldn't go to county but into a fund that could be used for cooperative conservation programs with farmers.

Wade Moser from the ND Stockman's Association was asked what his feeling would be on the amendment. He felt it sounded like a positive move at this time.

Christopher Dodson was also asked how he felt about the amendments.

Bill was held for further discussion.

FEBRUARY 15, 1999

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Senate Agriculture Committee

Bill/Resolution Number Sb 2433

Hearing Date ~~2/11/99~~

2-12-99

Discussion was held on the amendments proposed by Senator Wanzek.

Senator Kroeplin made the motion to amend the amendments.

Senator Mathern seconded.

Motion carried.

Senator Urlacher made the motion for a Do Pass the amendments as amended.

Senator Kroeplin seconded.

Motion carried.

Senator Urlacher made the motion for a Do Pass as Amended.

Senator Kinnoin seconded.

ROLL CALL: 7 Yes, 0 No

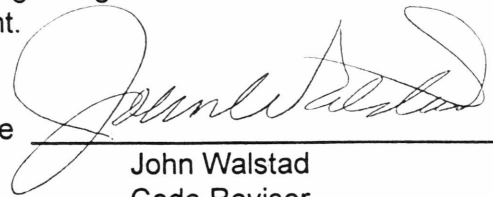
CARRIER: Senator Wanzek

FISCAL NOTE STATEMENT

Senate Bill or Resolution No. 2433

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, or school districts. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

Signature



John Walstad
Code Revisor

Date: 2/15/99
 Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2433

Senate Agriculture Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken To Pass Amend amendment

Motion Made By Kroeplin Seconded By Mather

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein		✓			
Senator Sand	✓				
Senator Urlacher		✓			
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 5 No 2

Absent _____

Floor Assignment _____

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

Date: 2/15/99
Roll Call Vote #: 2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2433

Senate Agriculture Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Amendment as Amended

Motion Made By Urlacher Seconded By Kroepelin

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroepelin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment _____

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

Date: 2/5/99
Roll Call Vote #: 3

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2433

Senate Agriculture Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By Urlacher Seconded By Kinnoin

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Senator Wanzek

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

REPORT OF STANDING COMMITTEE

SB 2433: Agriculture Committee (Sen. Wanzek, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2433 was placed on the Sixth order on the calendar.

Page 1, line 2, after "by" insert "certain" and after "corporations" insert "; and to provide a continuing appropriation"

Page 1, line 5, after "**corporation**" insert "**- Continuing appropriation**"

Page 1, line 6, after "corporation" insert "entitled to acquire the property under section 10-06.1-10"

Page 1, line 12, after the period insert "Fees collected by the county treasurer under this section must be transferred to the state treasurer for deposit in a special fund in the state treasury known as the agricultural property preservation fund. The agricultural property preservation fund is available to the agriculture commissioner for agricultural property preservation projects in cooperation with farmers, including projects to abate erosion, conserve or establish wetlands, or other enhancement of the agricultural environment and may be used as matching funds for farmers for such projects. If ownership of property subject to the fee under this section is transferred to a farmer within twelve months after payment of the fee under this section, the fee is refundable upon application to the agriculture commissioner by the entity that paid the fee. If less than the entire parcel subject to the fee is transferred, the portion of the fee that is refundable is equal to the portion of the property that is transferred to a farmer. Amounts necessary for refunds under this section are appropriated to the agriculture commissioner as a standing and continuing appropriation from the agricultural property preservation fund."

Re-number accordingly

1999 TESTIMONY

SB 2433

A borderlines

BY CURT OLSON

Environmentalists, ranchers and regulators on the Arizona-New Mexico border have learned that they share some common ground, and that it is better to seek answers by working together than through the courts.

Bill McDonald, 46, of Douglas, Ariz., is an NCBA member and one of the founders of the Malpai Borderlands Group. He also is a 1998 winner of a "genius grant" awarded in June by the McArthur Foundation.

The foundation recognized McDonald for his work with the Group, which began as a ranchers' meeting in 1993. "We believe that good, ecologically sound ranching and endangered species habitat are one and the same," McDonald says. The goal of the Malpai Group is "to preserve traditional livelihoods with all the benefits that come from having a livelihood that depends on healthy land," he adds.

At the first meetings he says ranchers became intrigued with the idea of finding environmentalists the ranchers could work with, rather than fighting the fringe elements of the movement. The ranchers met their match through the 321,700-acre Gray Ranch in New Mexico. "The Nature Conservancy had the biggest ranch down here and sold it back into the ranching community, which is what precipitated getting us involved with these guys," McDonald says.

"I think that startled the neighborhood," says John Cook, vice president

of major projects for The Nature Conservancy. "The Conservancy bought that piece of property because we were confident it was going to get bought and cut up. We couldn't keep the Gray. It was too expensive. It became apparent to me that they

(ranchers) played a critical and crucial role. They held the key to whether that wild landscape would remain open or get split up and fragmented.

"As an organization we increasingly understand that by trying to protect nature in a preserve or two we own won't achieve our mission," Cook says. "We need to learn how

to work and support the private landowners who work and live in these landscapes because if they don't support the mission, it won't work."

"Ranchers and environmentalists can have, in fact, a lot in common," McDonald says. He adds that the ranchers have benefitted from the coalition by allowing someone from outside the industry to look at their operations. "It will make you a little more aware of animal needs at certain times of the year," he says. "For me, it makes it a much more interesting experience to ranch."

McDonald says after two years of talks, everyone agreed on three things.

- Fragmentation of the landscape by development was the No. 1 threat. Everyone should focus his energy on trying to prevent that.
- Fire suppression efforts for most of this century led to a loss of grassland and a buildup of woody

species, making the fire situation more dangerous. Fire had been part of the natural order of the area for millennia, and grasses tend to benefit from fire if it doesn't come too often.

- The positive effects of government regulation had reached their limit.

"We're taking a proactive approach; this is what we're doing to try and maintain the characteristics of the land many people think are important," McDonald says.

Because the Malpai members' ranches span two states, there is a mix of overlapping state and federal jurisdictions. And, as the ranchers had suspected, they found these agencies often didn't talk among themselves. Bill Van Pelt, nongame mammal program manager for the Arizona Game and Fish Department agrees, and says the ranchers improved communications by serving as a single point of contact.

To reclaim the grassland, the ranchers approached the local agencies and told them what they wanted to happen if a natural fire started. In some areas, they wanted it to burn.

"It took them a while to figure out we were serious," McDonald says.

So the ranchers gave the agencies something they had coveted — detailed maps of the ranchers' private property with burn areas clearly marked. This strategy proved its worth during multiple wildfires covering 100,000 acres in 1994. By following the map, firefighters allowed marked areas to burn and concentrated fire-fighting efforts in other areas. Now,

(Continued on page 15)



Bill McDonald at his Arizona ranch.

(Continued from page 12)

the Malpai Group supplies new fire maps every year and a couple areas have benefited from prescribed burns, saving taxpayers significant money in fire suppression costs.

The first prescribed burn covered 6,000 acres, involved four agencies in two states, the Mexican government, the Antiquities Act and a wilderness area study. That was the easy one.

The second was 12,000 acres and included species habitat, complicating and delaying the burn, which eventually was completed.

A special species

The Malpai ranchers have proven their commitment to habitat and species preservation.

Paw prints told Wharner Glenn, another Malpai rancher, there was a new predator in the neighborhood, but this one was different. In 1996 he shot the jaguar — with his camera — providing evidence that the cat still was occasionally found in Arizona and New Mexico.

A little more than a year later the jaguar was on the Endangered Species List, but by then the Malpai Group, along with many other groups and individuals, was involved in drafting the final rule for the jaguar's conservation plan. The goal, Van Pelt, says, is to delist it.

In initial meetings, ranchers were concerned about land restrictions. U.S. Fish and Wildlife agreed that normal ranching activities would not be affected.

"The key in all the discussion was the overall fear of the Endangered Species Act," Van Pelt says. "I think the Malpai Group has seen the flexibility that is in the ESA and that's what they're trying to capitalize on, and I think they have been quite successful. They have worked very well with a number of entities in accomplishing wildlife conservation while maintaining their lifestyle."

McDonald adds that the ranchers would like to see the ESA reformed, but for now they work with it as it is written.

Another rancher, Matt Magoffoin, and his family recognized an amphibian called the Chiricahua leopard frog at one of his stock ponds. The status of the frog is currently being reviewed for listing under the ESA.

Magoffoin hauled water to the site during a drought. Later, the state of Arizona helped drill a well to guarantee a water supply for the frog; Magoffoin had a new water source for his cattle.

"He took an issue many people would have run away from and turned it into a plus," McDonald says.

"Does this pencil out on the bottom line?" Cook asks. "In many of the Malpai projects, the jury is still out. My sense is this seems to be, so far, the best opportunity anyone has had to come up with some solutions and move forward. It's been tremendous experiencing the ranchers' natural creativity. If we can let that creativity grow without the fear of the entanglements, we're all going to win this thing. Winning to me is healthy landscapes and working people on the landscapes." ■

working



Dr. Ceylon Feiring
Veterinarian and
Cattle Rancher
Stanley, North Dakota

North Dakota veterinarian
and cattle rancher

Dr. Ceylon Feiring knows
the value of long-lasting

parasite control. "We typically have six months of winter, so we have to treat the cattle with a product that will work over a long period of time," says

Dr. Feiring of Feiring Vet Service of Stanley.

For that reason, Feiring advised her clients to switch to Dectomax® Pour-On, and convinced her family to use it on their 270 purebred cows. She has been very pleased with the results.

"Lice is a big problem here and the cattle treated with Dectomax haven't had any lice trouble. None of our fence lines have hair on them because the cattle just don't rub."

Dr. Ceylon Feiring

When advising ranchers on ways to avoid lice troubles, Feiring suggests Dectomax Pour-On. "I don't know why you would use anything else when you can effectively and conveniently treat with just one dose of Dectomax."

Ask your veterinarian or animal health supplier
about Dectomax.

DECTOMAX Dermestectin
Superior Science

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Mr. Chairman Wanzek and members of the Agriculture Committee.

My name is Brenda Disette, Executive Director of the North Dakota Association of Nonprofit Organizations.

The North Dakota Association of Nonprofit Organizations would like to go on record as opposing Senate Bill 2433 as written.

North Dakota's nonprofit sector provides significant contributions to the daily lives of many North Dakota residents. These nonprofit entities across our state address the cultural, social, educational, spiritual and environmental issues and services.

The bill as written could impact small nonprofits, including churches that have been willed land outside the city limits. A 30 % impact fee that would be imposed under this bill could become detriment to small nonprofits in their constant struggle to operate within their already strained budgets. Another example would be the residential care facilities that are located out in the rural areas of North Dakota and also use the land to teach the individuals within their programs how to farm and take care of land.

The North Dakota Association of Nonprofit Organizations strongly urges a do not pass on Senate Bill 2433.



North Dakota Chapter

THE WILDLIFE SOCIETY

P.O. BOX 1442 • BISMARCK, ND 58502



**TESTIMONY OF BILL PFEIFER
NORTH DAKOTA CHAPTER OF THE WILDLIFE SOCIETY
PRESENTED TO THE SENATE AGRICULTURE COMMITTEE
ON SB 2433, FEBRUARY 11, 1999**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Bill Pfeifer, I'm speaking on behalf of the North Dakota Chapter of The Wildlife Society. Our organization opposes SB 2433.

The North Dakota Chapter of The Wildlife Society is an organization of nearly 400 professional resource managers, scientists, and educators who believe in the conservation and responsible management of our state's natural resources.

It is unfortunate that Bills like this imply that purchase of land for conservation purposes either has no social or economic value, or has a negative impact to the local economy. Nonprofit conservation organizations have long been partners with our state's family farmers. In pursuing their goals, they have also provided direct benefits to this state, its counties, and its people. By requiring an acquisition fee, this bill will limit conservation activities of private non-profit organizations and the economic benefits they provide.

Nearly every non-profit conservation organization has a program or project directed at assisting family farmers in conservation. **Nearly a million dollars was funneled into local agricultural communities in 1998 through non-profit conservation**

organization programs. Over the past 8-10 years nonprofit conservation programs have contributed millions of dollars to farm families for conservation purposes. Many of these programs provide direct financial compensation, cost share, or beneficial opportunities for family farmers. For example, the Wetland Trust provides financial compensation to landowners in the Devils Lake basin who create wetlands on their property. These wetlands store water, reducing flooding problems and runoff into Devils Lake.

Another benefit of non-profit conservation organizations is that lands they own are often made available to family farmers for agricultural purposes. For example, the Nature Conservancy provided haying, grazing, and crop production to neighbors or local county residents on 11,500 of the 18,000 acres they own. In addition, non-profit conservation groups give neighboring farmers opportunities to try innovative agricultural techniques on nonprofit group property with no economic risk to the farmer or their operation.

Data compiled by the Agriculture Economics Department at NDSU shows resident and non-resident hunters and anglers accounted for \$1.6 Billion in total business activity in North Dakota in 1996. This does not include business activity from outdoor recreation that is growing in North Dakota such as bird watching. While it is not possible to allocate how much of that total is influenced by land held in fee title for conservation purposes, it does make the point that there is an enormous economic value attributable to the use and enjoyment of our natural resources.

An additional consideration is that many of the dollars generated by the public's use and enjoyment of these natural resources are "new" dollars. In the case of non-residents, their activities bring in dollars that would not be spent in our state without these natural resource based opportunities. Further, 76% of the direct expenditures by non-resident hunters and anglers and 22 % of the resident hunters and anglers were in rural areas of North Dakota. While many of these dollars are not spent in the agricultural sector, they are spent in the service sector such as hotels and restaurants. Most importantly, these are real dollars that would not be spent in Mott, Crosby, Washburn or Hankinson if it were not for our valuable natural resources.

It appears the intent of this bill is to provide replacement for losses to county's property tax base caused by nonprofit conservation acquisition of land. However, nonprofit conservation organizations have always paid their assessed property taxes even though it is not required. Further, nonprofit conservation organizations own only 22,000 acres in a state of 45,000,000 acres.

Mr. Chairman and Committee Members, the North Dakota Chapter of The Wildlife Society supports and promotes occasional acquisition of land for conservation purposes because, when all things are considered, we believe it is in North Dakota's best interest and the best interest of our future citizens. Nonprofit conservation organizations complement North Dakota's agricultural economy, not compete with it. It is in North Dakota's best interest that we allow diverse interests to work toward mutual goals that benefit the people of this state. For these reasons, I ask that you DO NOT PASS SB 2433.

Oral and Written Testimony-SB2433-February 5, 1999

Joseph A. Satrom, Vice President/State Director, The Nature Conservancy

Mr. Chairman, Members of the Senate Agriculture Committee, my name is Joe Satrom. I am Vice President and State Director of the Dakotas program of The Nature Conservancy. The Nature Conservancy is a non-profit, international conservation organization which seeks to identify and protect plants, animals and natural communities that represent the diversity of life on earth by protecting the lands and waters that they need to survive. The enclosed blue flyer provides additional information on our organization in a question and answer format.

Our organization is opposed to SB 2433 because the proposed legislation would severely restrict our ability to carryout private conservation projects in North Dakota. The proposed thirty percent (30%) nonprofit agricultural property acquisition impact fee would make our acquisition work impossible and would deprive conservation minded landowners of the opportunity to work with our organization on protecting their natural areas.

The Nature Conservancy has paid full property taxes on every acre that we own in North Dakota during every year since we came to the State in the early 1980s. We do so voluntarily because the North Dakota Constitution exempts non-profits from paying taxes. As I told the Interim Taxation Committee last summer, The Nature Conservancy is fully committed to paying property taxes because we frequently have people living on these nature preserves and we expect to be part of the community and do our part to support schools, roads, fire departments, and other functions of government that are critical to rural life. In addition, The Nature Conservancy will support North Dakota Legislative action to require our organization to pay property taxes.

There are several aspects of SB 2433 that raise questions. In the context of this proposed legislation, what is the meaning of the word "acquire"? Is land "acquired" when it is received as a gift? Does this proposed legislation meet the equal protection requirements and other provisions provided for in the U.S. Constitution, as well as, various state law? Does the proposed legislation intend to include all "nonprofit corporations"?

In conclusion, I would ask the Senate Agriculture Committee to consider the critically important aspects of conservation and protecting our unique natural areas. Our earth's biological and botanical diversity is critical to many aspects of our quality of life: new drugs, genetic improvements in agricultural crops, recreation, economic development, religious beliefs and countless health issues. Private conservation efforts play a major role in protecting biodiversity in North Dakota, throughout our country and much of the world. I would encourage you to look for means to encourage rather than eliminate private conservation efforts.

I respectfully ask you to oppose SB 2433 as an expression of your support for private conservation work in North Dakota.

QUESTIONS AND ANSWERS CONCERNING THE NATURE CONSERVANCY North Dakota Chapter

What is The Nature Conservancy?

The Nature Conservancy is a non-profit corporation with the mission to identify and protect plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive.

How does The Nature Conservancy work?

This question can be answered from a number of perspectives. The Nature Conservancy is a science-driven, business-like, non-adversarial, non-confrontational, non-partisan, non-litigious conservation organization. The organization is governed by a National Board of Governors and operates Chapters in all 50 states and in locations in Central and South America. Boards of Trustees are advisors to each state chapter and state program. Effective conservation involves building partnerships with other private landowners, organizations, and private and public agencies, buying and managing biologically significant areas, holding and managing conservation easements and, increasingly, working at the local and community levels.

What is the history of the North Dakota Chapter of The Nature Conservancy?

In the early 1980s, The Nature Conservancy was asked by state leaders to come to North Dakota to assist with protection of the mixed grass prairie and riverine forest of the historic Cross Ranch near Hensler. Working with 6000 North Dakota donors, The Nature Conservancy raised \$1.6 million dollars to protect a major portion of the ranch including 1,800 acres of cottonwood and green ash forest. In an effort to meet recreational needs in the area, The Nature Conservancy gave the State of North Dakota 261 acres of forest lands along the Missouri River for the establishment of the Cross Ranch State Park.

In 1990, the North Dakota Chapter joined with the South Dakota Chapter in establishing staff in the two states to build a joint Dakotas program. Three additional preserves; the John E. Williams Preserve near Turtle Lake, the Davis Ranch Preserve near Denhoff and the Pigeon Point Preserve near Sheldon have been established since the mid 1980s. Each preserve represents specific conservation objectives such as nesting habitat for the piping plover, the protection of native prairie or pristine wetlands and the preservation of unique fens and the related plant and animal communities.

Where does The Nature Conservancy get money to support its work?

The Nature Conservancy depends on memberships and contributions from individuals, businesses, corporations and foundations for our revenue. Contributions to the organization are tax-deductible. The organization has more than 850,000 members and more than 1,000 businesses, corporations and foundations support our work. Donations from individuals provide more than 70% of the revenue required for our work.

Doesn't the sale of land to federal government provide a great deal of income to The Nature Conservancy?

No! Sales of land to the federal and state and local governments often results in a loss to The Nature Conservancy when one considers the carrying costs of financing, owning and managing these properties. For example, in fiscal year 1997, The Nature Conservancy experienced an \$4,264,000 loss on sales of land to government entities. The organization continues to support government conservation efforts because these entities play a critical role in overall conservation programs across the nation.

What areas of North Dakota are naturalists and scientists saying deserve the greatest attention from The Nature Conservancy?

Scientific survey and field identification information of species and natural communities provides the basis for the work of The Nature Conservancy. Information concerning sensitive, rare and endangered plants, animals and natural communities is particularly significant. Current biological information has lead our organization to prioritize work in the Sheyenne Delta and Sheyenne River Valley in southeastern North Dakota and the Missouri Coteau in central and northwestern North Dakota. Additional information and conservation opportunities may lead us to future activities in other areas such as the Devils Lake Basin, Pembina Gorge, Killdeer Mountains, Badlands, etc.

What can private landowners do to protect natural areas on their property?

The Nature Conservancy considers itself a private landowner and like other private landowners we have a responsibility to be good stewards of the land. Good stewardship requires informed decision-making and serious attention to using the best practices available. Private landowners can voluntarily protect significant natural areas on their property through participation in the North Dakota Natural Areas Registry program. Farmers and ranchers need to maintain an openness to implementing land management practices that enhance biodiversity within natural systems, protect water quality and soils from erosion and minimize or eliminate the implications of negative factors such as herbicide and pesticides, invasive weeds, etc.

It seems wrong to just have land lie idle, shouldn't all land be used for something?

Land in The Nature Conservancy's preserve portfolio is not lying idle. These lands are being actively and intentionally managed to protect and enhance the natural diversity. Prescribed burning, noxious weed control, carefully managed cattle or bison grazing, watershed protection and other land management efforts are all part of a good stewardship program. Protecting and enhancing biodiversity is important to the quality of life of all of us. Humans are part of a complex mosaic of all living things on the planet Earth. Plants and animals provide critically important opportunities for the discovery of new medicines, genetic stock for plant and animal breeding, natural beauty for recreation and leisure and much more that is important to human life.

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How much land does The Nature Conservancy own in North Dakota?

The Nature Conservancy owns 18,262 acres of land in North Dakota. Of these acres, approximately 3,000 acres have been significantly disturbed by cultivation and do not fit into our conservation plans. These 3,000 acres will be sold or traded to farmers and ranchers in area around the respective preserves. Virtually all of the prairie grasslands owned by The Nature Conservancy are under lease for cattle grazing by area ranchers or are grazed by bison.

Isn't The Nature Conservancy competing with farmers and ranchers when it purchases these native grasslands?

We don't think so! In many cases the owners of these native grasslands want to protect their native prairie and approach The Nature Conservancy about protecting their lands. Large tracts of native tallgrass and mixed grass prairie are increasingly rare and The Nature Conservancy has a significant track record across the Great Plains and West in conserving these valuable natural assets and still making the lands available for cattle grazing through leases. Leasing grass from The Nature Conservancy can be a profitable business opportunity for farmers and ranchers that contributes significantly to the rural economy.

North Dakota is among the top five states in terms of the percentage of land that is in private ownership and is dedicated to agriculture (more than 88.5% of the state's 45,225,600 acres is in private ownership and most of those acres are in agriculture). The Nature Conservancy's ownership of 18,262 acres represents .0004037 % of the state's total acreage. The Nature Conservancy believes that protecting our biodiversity for future generations will provide tremendous future value to agriculture, business, science and our overall quality of life.

Does The Nature Conservancy pay property taxes on its lands in the state?

Yes! The Nature Conservancy is exempt, along with other non-profits, from paying property taxes under the North Dakota Constitution, however, the Board of Trustees of the North Dakota program has voluntarily paid property taxes on its preserves since it came to the state and purchased the Cross Ranch in the early 1980s. During 1998, we paid more than \$33,000 in property taxes in four North Dakota counties. A summary of the property taxes paid by the North Dakota Chapter since 1989 is on the back of this page. The Nature Conservancy has asked the State Legislature to approve legislation that would require that non-profit conservation groups pay property taxes on agricultural and natural areas lands that we own.

How can I get more information on the work of the North Dakota Chapter of The Nature Conservancy?

Please contact Joe Satrom, Vice President/State Director North Dakota Field Office, The Nature Conservancy, P.O. Box 1156, Bismarck, ND 58502-1156. Telephone number: (701) 222-8464 or e-mail jsatrom@aol.com 1/8/99

North Dakota Preserves

	Acres	Acquisition Price	Year Acquired	TAXES PAID									
				1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Cross Ranch Preserve (Oliver County)	5,873	\$2,253,438	1982	\$5,457	\$6,045	\$6,511	\$6,835	\$7,753	\$6,996	\$7,640	\$8,179	\$8,241	\$8,731
Williams Preserve (McLean County)	1,459	\$260,394	1986	\$817	\$887	\$1,033	\$1,054	\$1,175	\$1,355	\$1,334	\$1,448	\$1,442	\$1,426
Sheridan Preserve (Sheridan County)	1,440	\$184,000	1984	\$1,537	\$1,711	\$1,870	\$1,887	\$1,900	\$1,909	\$2,040	\$2,142	\$2,345	\$2,394
Davis Ranch Preserve (Sheridan County) *	8,629	\$1,795,683	1997	-	-	-	-	-	-	-	-	-	\$16,132
Chase Lake Property **	2,720	\$317,000	1992	-	-	-	-	-	-	-	-	-	-
Pigeon Point Preserve (Ransom County)	861	\$250,000	1994	-	-	-	-	-	\$2,166	\$2,286	\$2,449	\$2,884	\$2,925
TOTAL	20,982	\$5,060,515		\$7,811	\$8,643	\$9,414	\$9,776	\$10,828	\$12,426	\$13,300	\$14,218	\$14,911	\$31,607

* TNC purchased the Davis Ranch in calendar year 1997. The 1997 property taxes totaling \$15,816 were paid by the Davis Family and TNC per the sales agreement.

** TNC was a cooperating agency only in this tract which was transferred to the Wetlands Trust in 1994.