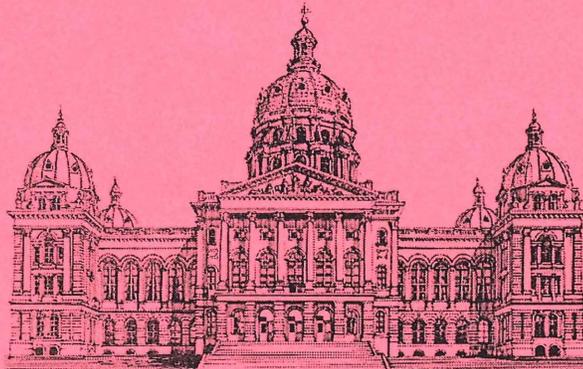


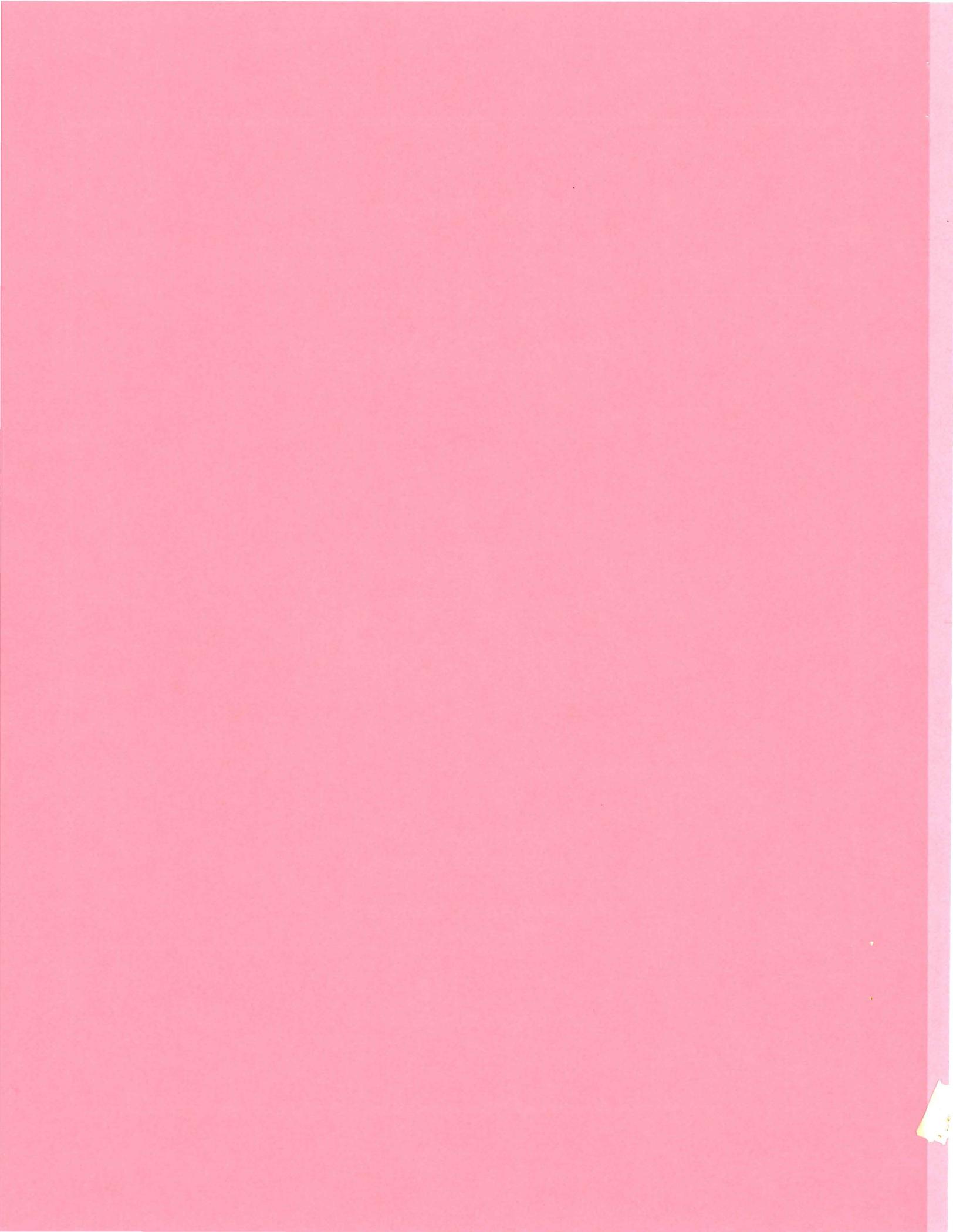
FINAL REPORT

**LOESS HILLS
STUDY COMMITTEE**



Presented to the
LEGISLATIVE COUNCIL
and the
IOWA GENERAL ASSEMBLY
February 2000

Prepared by the
LEGISLATIVE SERVICE BUREAU





FINAL REPORT

Loess Hills Study Committee

February 2000

MEMBERS

Senator Steven King, Co-Chair
Senator Dennis Black
Senator Nancy Boettger
Senator Steven Hansen
Senator Derryl McLaren

Representative Clarence Hoffman, Co-Chair
Representative Donna Barry
Representative David Johnson
Representative Mike O'Brien
Representative William Witt

Contents:

| | |
|---|-----|
| I. Overview..... | p.2 |
| II. October Meeting..... | p.2 |
| III. December Meeting..... | p.3 |
| IV. Recommendations..... | p.4 |
| V. Documents Filed With the Legislative Service Bureau..... | p.5 |
| VI. Attachment..... | p.5 |

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AUTHORIZATION AND APPOINTMENT

The Loess Hills Study Committee was created by the Legislative Council pursuant to House File 218 (1999 Iowa Acts, chapter 219), was authorized by the Legislative Council for two meeting dates during the 1999 Interim, and was provided a charge of studying issues relating to the Loess Hills, including restrictive easements and covenants as a tool to carry out projects and programs to protect, conserve, or develop various areas of the Loess Hills.



Loess Hills Study Committee

I. Overview.

The Loess Hills Study Committee held two meetings at locations in the Loess Hills, one on October 13 at the Timber Ridge Ranch near Mapleton, Iowa, and one on December 13 at the Mineola Steak House, Mineola, Iowa. The October meeting included presentations from representatives of the Loess Hills Alliance and the Golden Hills Resource and Development (RC&D), Inc., and comments from interested landowners, public officials, representatives of conservation organizations, and the general public. The December meeting included presentations regarding the Loess Hills Alliance, the National Park Service, and conservation easements.

II. October Meeting.

A. Loess Hills Alliance. Shirley Frederiksen, Coordinator, Golden Hills RC&D, Inc., presented a historical review of efforts to preserve the Loess Hills area. She discussed efforts to raise awareness of the issues, including the Loess Hills Forum, the Loess Hills Discovery Tour, meetings with federal legislators and cabinet officials, and meetings with Iowa legislators. She discussed state legislation establishing the Loess Hills Development and Conservation Authority and the Loess Hills Alliance, codified in Iowa Code chapter 161D, and moneys appropriated in 1999 Iowa Acts, chapter 204, (House File 772) to support the Alliance, and to develop and coordinate plans for projects related to preserving the unique natural resources of the area, encouraging rural development, and repairing and improving infrastructure in the deep loess region of western Iowa. John Wills, Coordinator, Loess Hills Alliance, discussed the organization of the Loess Hills Alliance with four committees and their plans for the fiscal year 1999-2000. The four committees include the Economic Development Committee, the Information and Education Committee, the Protection Committee, and the Stewardship Committee. In addition, an executive committee has been created to oversee the staff operations and coordinate the activities of the four committees.

Maurice Welte, Chairperson, Loess Hills Alliance and Woodbury County Supervisor, discussed the long-term plans and goals of the Alliance. These include a commitment to carry out the legislative mandates, identify a permanent source of funding for Alliance activities, generate more partners with similar goals, and educate landowners on available tools to manage and maintain their land. Mr. Welte noted that in developing the plan for protecting the resources of the Loess Hills region, a number of factors must be addressed, including defining the rights and responsibilities of private landowners, creating tax incentives or disincentives, creating programs to recognize achievement, developing priorities for protection, creating land conservation strategies, and creating landowner contacts. Mr. Welte discussed how Alliance committees are working to prepare plans including an Economic Development 2000 Plan (addressing tourism and other development issues), an Information and Education 2000 Plan (addressing public awareness strategies such as the publication of newsletters, the development of a website, and sponsoring educational forums), a Protection 2000 Plan (addressing property



rights, creating a land inventory, and exploring how to use voluntary protection tools such as conservation easements), and a Stewardship 2000 Plan (addressing how to maintain and improve the region's conservation and recreation infrastructure).

B. Public Comments. Members of the general public expressed concern that efforts of outside interests to obtain federal park status for parts of the Loess Hills are misguided and will result in too many visitors and too much economic development. Concern was also expressed that environmental and conservation interests are paying highly inflated prices for Loess Hills lands which adversely affects the overall land prices for agricultural purposes. Other public members recommended that the Loess Hills legislation expressly require some members of the board of directors of the Alliance to be landowners. Voting members representing environmental affairs, conservation, finance, development, and tourism are expressly listed, but not landowners.

C. Conservation Easements. Conservation easement legislation was discussed by the Committee. Ms. Frederiksen commented that the provisions in the Loess Hills legislation requiring equal annual installments of compensation for easements could cause serious administrative problems depending on the number of easements contracted. A separate escrow account will probably be required for each contract and a separate annual installation payment date given. It was also noted that, depending on individual circumstances, some landowners may want lump sum payment or payment in fewer years than the length of the contract.

III. December Meeting.

A. Loess Hills Alliance Update. Mr. Welte and Mr. Wills provided a report on the organizational structure and accomplishments of its committees. Mr. Welte noted that the committees are requesting increased funding from public and private sources for the 2001 fiscal year.

B. Federal Loess Hills Resource Study. Sandra Washington, National Park Service, reported that the U.S. Congress appropriated, and President Clinton approved, funding for a special resource study of the Loess Hills area. Ms. Washington stated that the study will be completed in 14 to 16 months and answer questions as to the Loess Hills suitability and national significance as a potential national park designation, its feasibility for some type of designation, and the potential management costs. The options for designation and management are many and varied. Ms. Washington introduced Judy Weaver, National Park Service, who will be responsible for much of the research and field work for the federal study.

C. Property Tax Reimbursement. The Study Committee discussed the concerns of many Loess Hills area residents that public acquisition of land must be accompanied by property tax reimbursement from state or federal revenues to support the property tax bases of affected school districts and other local governments. The Study Committee reviewed current state reimbursements for lost property taxes from land purchases by the



Loess Hills Study Committee

Department of Natural Resources. Tax reimbursements by the Department were started in 1980 through the Wildlife Habitat Stamp Program, in 1984 through the "chickadee checkoff" for Nongame Wildlife Diversity Program, and in 1990 through the open spaces program of the Resource Enhancement and Protection Program.

D. Conservation Easements. Mark Ackelson, Iowa Natural Heritage Foundation, presented written documents relating to the conservation easement process used by the Foundation. He stated that the easements are very useful in obtaining voluntary relinquishment of certain property interests or restricted partial use of property by another party. Senator McLaren expressed reservations regarding conservation easements and easements in general, particularly regarding the lack of uniform procedures for concluding or terminating nonperpetual easements.

IV. Recommendations.

A. Issues Discussed. During its discussions, the Study Committee discussed property tax reimbursement and three other issues which were presented in a draft bill. The Study Committee deferred any recommendation on property tax reimbursements and made no recommendation concerning extending conservation or restrictive easement legislation after the repeal of the restrictive easement provisions in 1999 Iowa Acts, chapter 119, section 6.

B. Recommendations. The remaining two issues were adopted as recommendations of the Study Committee.

- 1. Hungry Canyons Alliance.** The first issue gave statutory status to the Hungry Canyons Alliance which was created by the Loess Hills Development and Conservation Authority to manage the construction and maintenance of infrastructure such as roads and bridges required by loess soils erosion and related projects. The Hungry Canyons Alliance would be recognized along with the Loess Hills Alliance as carrying out separate responsibilities under the general direction of the Loess Hills Development and Conservation Authority. Having statutory status is helpful when seeking federal aid and other governmental assistance.
- 2. Loess Hills Alliance.** The second issue recommended by the Study Committee is to specifically include owners of loess soils property as voting members of the board of directors of the Loess Hills Alliance. The Study Committee voted to amend 1999 Iowa Acts, chapter 119, to provide that voting membership of the Loess Hills Alliance include "agricultural producers owning real property within the loess hills land form."

C. Bill Draft Attached. A copy of the bill draft containing the recommendations of the Study Committee is attached to this final report.



V. Documents Filed With the Legislative Service Bureau.

- A.** Interim Study Committee Memorandum, with attachments, prepared by Thane R. Johnson, Legislative Service Bureau. Saving American Farmland: What Works, Excerpts from three chapters, regulatory and incentive based techniques to preserve farmland, the purchase of conservation easements, and transfer of development rights, published by American Farmland Trust.
- B.** Bylaws of Loess Hills Alliance, submitted by the Loess Hills Alliance Board of Directors.
- C.** Loess Hills Alliance, the Past, Present, and the Future, submitted by the Loess Hills Alliance Board of Directors, October 12, 1999. 9 pp.
- D.** Loess Hills Alliance, Maintaining the Balance, submitted by the Loess Hills Alliance Board of Directors, December 13, 1999. 9 pp.
- E.** Property Tax Reimbursements, submitted by the Department of Natural Resources, October 19, 1999. 4 pp. Habitat Stamps, Resource Enhancement and Protection Open Spaces Program, Nongame diversity program, chickadee checkoff.
- F.** "The Conservation Easement Process", a primer for the Iowa Heritage Foundation Board, October 22, 1999, by Darrel Mills.
- G.** Interim Committee Memorandum, Easements, prepared by Thane R. Johnson, Legislative Service Bureau.

VI. Attachment.

- Bill Draft (LSB 5117IC)

3342ic

SENATE/HOUSE FILE _____
BY (RECOMMENDED BY LOESS
HILLS STUDY COMMITTEE)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the loess hills development and conservation
2 authority by creating a hungry canyons alliance and providing
3 membership guidelines for board of directors of the
4 conservation authority and loess hills alliance.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 161D.1, Code Supplement 1999, is
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 3A. A hungry canyons alliance is created.
4 The hungry canyons alliance shall be governed by a board of
5 directors appointed as provided in its bylaws and the board
6 shall carry out its responsibilities under the general
7 direction of the loess hills development and conservation
8 authority. The bylaws of the hungry canyons alliance are
9 subject to review and approval of the loess hills development
10 and conservation authority.

11 Sec. 2. Section 161D.5, subsection 1, Code Supplement
12 1999, is amended by adding the following new paragraph:

13 NEW PARAGRAPH. c. The voting members of the board of
14 directors appointed pursuant to paragraphs "a" and "b" shall
15 include agricultural producers owning real property within the
16 loess hills land form.

17 EXPLANATION

18 This bill amends Code section 161D.1 and creates by statute
19 a hungry canyons alliance, which shall operate under the
20 general direction of the loess hills development and
21 conservation authority. The hungry canyons alliance is
22 governed by a board of directors appointed as provided in its
23 bylaws and is responsible for erosion control and related
24 conservation activities of the authority. The loess hills
25 development and conservation authority provides the general
26 direction and oversees the activities of the hungry canyons
27 alliance and the loess hills alliance.

28 The bill amends Code section 161D.5 and provides that
29 members of the loess hills alliance board of directors
30 appointed by the board of supervisors shall include
31 agricultural producers owning real property within the loess
32 hills land form.

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