

COMMITTEE ON NATURAL RESOURCES
113th Congress

Oversight Hearing on: *"Why Does the U.S. Fish and Wildlife Service Want to Expand the Boundaries of the Chickasaw and Lower Hatchie National Wildlife Refuges in Tennessee and at What Cost?"*
Thursday, June 20, 2013

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To all committee members thank you for this opportunity to discuss the positive and negatives of the proposed expansion of the Chickasaw and Lower Hatchie National Wildlife Refuges.

I am here representing four counties that will ultimately be affected by the proposed 120,000 acre expansion; they are Tipton, Haywood, Dyer and Lauderdale Counties that border the Mississippi, Hatchie and Forked Deer rivers.

After the public meetings many citizens were either against the expansion all together or the massive size of the expansion. A petition was started opposing the plan and was signed by 433 Lauderdale County citizens, Lauderdale County Commission also passed a resolution asking U.S. Wildlife to remove Chickasaw and Hatchie from the top 50 refuge target list.

A major reason for the opposition to the new 2013 expansion is twofold.

1. At present there is a purchase program available to landowners in the Mississippi and Hatchie River bottoms by the US Wildlife with an identified boundary of approximately 83,500 acres of land primarily in Lauderdale County that consists of farm and forest land. The service currently owns 27,967 acres in this boundary area identified as Chickasaw and Lower Hatchie Refuge's. The State of Tennessee owns an additional 17,000 acres in an adjacent area for a total of 45,000 acres between the two agencies. The 2013 proposal seeks an additional 120,078 acres with 35,781 of this land in Lauderdale County alone. The remainder primarily affects Tipton and Haywood counties along the Hatchie River.
2. The second reason for opposition toward the 120,000 acre expansion is the inclusion of 46,903 acres of agriculture; row crop land along with 23,213 acres of agriculture pasture grass land. This makes the farm land 58% of the expansion. These prime bottom farming lands are exceptionally fertile and referred to by the hill farmers in our county as ice cream land. Farmers would love to purchase this ground but they cannot afford to purchase large tracts of land compared to the government therefore they do not feel it is fair competition. The common questions arising in my county is how much government land is enough, will government enact eminent domain in the future. They also question drainage issues, beaver dams and the potential restrictions of pesticide runoff.

The citizens of West Tennessee appreciate the contributions that U.S. Wildlife has made to our land and wildlife habitat. We understand that some of the lowest bottom lands are blue mud and that farmland that holds large expansions of water should be converted over to natural habitat. What we have a hard time understanding is the reaching out for prime cropland in areas that don't flood or hold water on a continual basis. The Fish and Wildlife officials question since the land is in the five year flood why all the opposition.

Financial Impact to Our Communities

Farming is the main industry in Lauderdale County. We have gone through the southern industrial expansions of the 1960's, 70's, and 80's. Since the 1990's my county alone has lost fifteen companies that hired between 100 to 2,000 people. Industry moving overseas has devastated our local economy and in 2009 my county reached 22% unemployment. Currently we vary over the year between 12 and 14% unemployment. Lauderdale County is the second poorest county per capita in the State of Tennessee with a negative forecasted population growth in the next ten years. Farm revenue currently is the life blood to our economic quality of life. The population of Lauderdale County is 26,000 people, not counting the State Prison. We farm 170,000 acres or 56% of the 305,000 acres in the county. Total farming and Green Belt tax relief property consisting of farms, forests, and wetlands is 218,000 acres or 71.5% of the county.

The eventual loss of an additional 23,500 acres of farmland in Lauderdale County and 70,000 acres to the region will significantly impact our tri-county economy. For example one year 70,000 acres of lost soybean production at 45 Bu/Acre x \$13.50 market price would equate to \$42,525,000 dollars of revenue to the local economy. State and local sales taxes would be affected by \$4,146,188 dollars. The area also grows cotton and corn which would magnify the lost revenues and severely affect our local economy, schools, roads and government.

When revenue in the economy dries up the result is lost jobs all over the region. From Ag related supply companies, Ag equipment dealers, to fuel, car and truck dealers all the way down to small retail shops.

Many citizens in the public meetings remarked about the local tax effect and will they be affected. Fish and Wildlife representatives responded that the Refuge Revenue Sharing Act allows the agency to offset the tax losses by annually paying the county or local units of government an amount that often equals or exceeds that which would be collected from taxes if in private ownership.

These statements bring up an interesting point related to the agencies payment of In Lieu of taxes over the last 15 years to Lauderdale County. Our records show that the payments received have never matched the totals authorized when compared to authorized dollars. *A brief history of the payments to Lauderdale County is contained in the attached Historical Chart of In-Lieu of Tax Payments.*

In the last 3 years 2010-2012 the County has received 24.6% of the dollars authorized by the Agency. The literature states that Congress is authorized to appropriate money to make up the difference; obviously this has not happened in many years.

The next two examples add to the question of equal tax dollars. One farm in the expansion area totals 3,135 acres. The farm is not Green Belt assisted. The taxes received on this one plot are \$41,960 dollars or \$13.38 per acre, if it were in the Green Belt the taxes would be in the \$21,000 dollar range or \$6.69 per acre and \$20,973 in tax revenue. Under the U.S. Wildlife Agencies past four years payment average of \$3.18 per acre the revenue would be \$9,969 dollars or a \$11,031 deficit. A second example of a 168 acre farm with woodlands averages \$1,053 dollars in tax compared to approximately \$534 using Wildlife Agency's \$3.18 per acre 4 year average for a loss of tax income of \$519 dollars.

County tax records indicate that county Green Belt tax income dollars covering farmland to swamps is \$1,128,760 dollars. There are 196,761 acres in the Green Belt tax relief program, this equates to \$5.74 cents per acre for Green Belt properties. If the expansion were to happen immediately on just 35,781 acres of county Green Belt land we would lose in the range of \$205,383 dollars in tax revenue. If U.S. Wildlife continues the last 4 year average payment their payment would total \$113,783 for a loss of \$91,600 per year. **Please understand the \$3.18 is still only 25% of the authorized amount. The financial department of Wildlife Services has indicated that this year's revenue will be downsized.**

The basic point after these examples is that in Lauderdale County the U.S. Wildlife Agency is not able to live up to their advertised statement that the Refuge Revenue Sharing Act allows them to offset the tax losses or even exceed that which would have been collected from taxes if in private ownership.

U.S. Wildlife felt that tourist dollars according to the Southwick Studies would make up the difference between the lost tax dollars and the tax revenues. They reported there were 78,500 visitors to the Chickasaw Refuge or 215 visits per day. My belief is that at least 75% of the visits were locals or farmers going through the Refuge. Our county is rural and without attractions, yes we have day trippers and day hunters from close proximities, but they leave home without spending dollars.

In conclusion In Lieu Of tax payments are very important to our counties local budgets. The overwhelming future problem however; is the loss of local farm and timber revenues to our economies.