

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Thursday, February 21, 2019

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Guthrie, Senators Patrick, Harris, Mortimer, Lent, Bayer, Jordan, and Nelson

ABSENT/ EXCUSED: Vice Chairman Den Hartog

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Guthrie** called the meeting of the Agricultural Affairs Committee (Committee) to order at 8:00 a.m.

GUBERNATORIAL APPOINTMENT VOTE: **Appointment of Erik Olson of Bonner's Ferry, Idaho to the Idaho Soil and Water Conservation Commission to serve a term commencing July 10, 2018 and expiring July 1, 2023.**

MOTION: **Senator Mortimer** moved to send the Gubernatorial appointment of Erik Olson to the Idaho Soil and Water Conservation Commission to the floor with recommendation that he be confirmed by the Senate. **Senator Harris** seconded the motion. The motion carried by **voice vote**.

S 1125 **Relating to Warehouses; To Provide For Electronic Negotiable Warehouse Receipts and to Make Technical Corrections. Senator Van T. Burtenshaw**, Idaho Senate, explained that the purpose of this legislation is to bring the commodity warehouse operator requirements for warehouse receipts up to date. Hand-written department provided forms and electronic receipts will have equal legally binding requirements. **Senator Burtenshaw** also explained that these electronic receipts must be approved by the United States Department of Agriculture, accessible to Idaho State Department of Agriculture (ISDA), and all costs of implementation and costs related to electronic warehouse receipts are the responsibility of warehouse owners and associated dealers. There is no fiscal impact to the State of Idaho.

DISCUSSION: **Senator Mortimer** asked Senator Burtenshaw how to know the electronic receipts have not been altered or are not fake. **Senator Burtenshaw** deferred to Kyle Wilmont of ISDA to answer the question. **Mr. Wilmont** answered that there is an online tracking system which allows the ISDA to accurately track and ensure the status of all receipts.

Senator Mortimer asked Mr. Wilmont if there is a verification system in place where one can go and make sure the receipt is still valid, and also, if there is any place for a signature to validate the receipts. **Mr. Wilmont** answered that there are a limited number of entities that will accept a verified number of electronic receipts, and he believes there is a way to electronically sign receipts, although he said he will need to confirm that.

Senator Nelson asked if the USDA sets the standards for electronic security. **Mr. Wilmont** answered that they do set the standard because the USDA already had a very stringent set of standards in place for ISDA to follow.

TESTIMONY: **Rich Garber**, Idaho Grain Producers Association, and **Kurt Paladis**, of Osgood Grain Inc., testified in favor of this bill, stating that it would greatly benefit the producers that they represent by giving them a more accurate and efficient system to track products and receipts. **Mr. Paladis** also stated that it does not force anyone to use the system, it simply gives growers another method to track warehouse receipts.

MOTION: **Senator Mortimer** moved to send **S 1125** to the floor with a **do pass** recommendation. **Senator Patrick** seconded the motion. The motion carried by **voice vote**.

S 1082 **Relating to the Idaho State Brand Board.** **Tyler Brock**, Secretary, Senate Resources and Environment Committee, stated that this bill amends Idaho Code § 25-1122 and 25-1160 establishing increased maximum fees for ownership and transportation certifications; increasing maximum brand inspection fees for horses, mules, and asses; to provide for equine farm service fees; and to make technical corrections. Idaho code § 25-1122 specifically sets the maximum amount for the ownership and transportation certificate to be \$75. **Mr. Brock** also explained that Idaho code § 25-1160 raises the cattle inspection fee from \$1.19 to \$1.25, and the maximum fee that can be charged to \$10 for each head of horses, mules, and asses. Finally, Idaho code § 25-1122 determines that the equine service fee shall not exceed \$55.

TESTIMONY: **Deette Lindberg**, Idaho Horse Board; **Ed McNelis**, Idaho Horse Council; **Elizabeth Criner**, J.R. Simplot Inc.; **Arlynn Hacker**, IHC; **Terry Derden**, Ada County Sheriff; **Wyatt Prescott**, Idaho Cattle Association; **Bob Naerebout**, Idaho Dairymen's Association; **Rich Garber**, Idaho Grain Producers Association; and **Senator Bert Brackett**, Idaho Senate, testified in favor of **S 1082**.

Delon Lee, Idaho Farm Bureau (IFB), testified in opposition to **S 1082** because he explained that the IFB is skeptical of rising fees which they believe are not guaranteed to resolve the Brand Board's deficit issue.

MOTION: **Senator Harris** moved to send **S 1082** to the floor with a **do pass** recommendation. **Senator Jordan** seconded the motion. The motion carried by **voice vote**.

HCR 11: **Relating to the 100th Anniversary of the Idaho State Department of Agriculture (ISDA).** **Ryan Lawrence**, Intern for Representative Caroline Nilsson Troy, stated that this Current Resolution recognizes the 100th Anniversary of the founding of the ISDA and the outstanding service that employees past and present have provided to the agricultural industries across Idaho.

MOTION: **Senator Nelson** moved to send **HCR 11** to the floor with a **do pass** recommendation. **Senator Lent** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Idaho Soil and Water Conservation Commission (ISWC).** **Teri Murrison**, Administrator, ISWC, stated that just under 30 percent of Idaho's land is privately owned, which is important for the economy and for the stewardship of natural resources. Conservation the Idaho Way is a voluntary agricultural stewardship on private lands; it implements projects that improve water quality, restore streams, rivers, forests, range, croplands, and contribute to healthy soils. **Ms. Murrison** explained that conservation the Idaho Way balances socioeconomic health with that of our natural resources, and helps Idaho satisfy environmental laws and regulations. The ISWC is made up of a five-member governor-appointed board, with 18 full-time positions and four temporary positions. **Ms. Murrison** stated that in fiscal year (FY) 2018, the ISWC had a General Fund appropriation of \$2.8 million and revenue of \$4 million. The ISWC's main areas of concern are to provide technical and financial assistance to Idaho's 50 conservation

districts, provide incentive based programs, and provide education on voluntary conservation. **Ms. Murrison** also explained the ISWC's online project tracker, which details the various conservation projects and fact sheets that have occurred between FYs 2017 to 2019.

PRESENTATION: **Idaho Rural Partnership (IRP).** **Jon S. Barrett**, Executive Director, IRP, explained that the IRP was created by executive order in 1991. It was structured as an independent public body corporate and politic. **Mr. Barrett** stated that the IRP is made up of a 35-member board which includes legislators; local, state and federal government representatives; tribes; private and nonprofit sectors; and higher education. The IRP's funding comes from federal grants, private sector sponsorships, and contributions from businesses and organizations in the individual rural communities. **Mr. Barrett** explained that the IRP brings multiple agencies and organizations together to help rural communities clarify and work together to help rural communities clarify and work toward their desired future. **Mr. Barrett** further explained the IRP's Community Review Program, which is an assessment and strategic planning process designed for towns with fewer than 10,000 people. The program brings together community members and local leaders with experts in rural community and economic development to identify local priorities and resources to achieve them.

ADJOURNED: There being no further business, **Chairman Guthrie** adjourned the meeting at 9:40 a.m.

Senator Guthrie
Chair

Jacob Garner
Secretary