

MINUTES
HOUSE RESOURCES & CONSERVATION COMMITTEE

DATE: Wednesday, February 01, 2017

TIME: 1:30 P.M.

PLACE: Room EW40

MEMBERS: Chairman Gibbs, Vice Chairman Gestrin, Representatives Moyle, Raybould, Shepherd, Wood, Boyle, Vander Woude, Miller, Burtenshaw, Mendive (Mendive), Youngblood, Kauffman, Giddings, Blanksma, Erpelding, Rubel, Jordan

**ABSENT/
EXCUSED:** Representative(s) Shepherd, Moyle

GUESTS: Tom Schultz, Mike Murphy and Dave Schwarz, Idaho Department of Lands; Kate Haas, Kestrel West; Greg Casey, Veritas Advisors; Elizabeth Criner, Simplot; Doug Paddock, Julia Page, and Elizabeth Roberts, IORC; Norm Semanko, IWUA; Cay Marquart, self; Miguel Legarreta, Associated Taxpayers of Idaho

Chairman Gibbs called the meeting to order at 1:30pm.

H 53: **Mike Murphy**, Bureau Chief, Idaho Department of Lands stated that **H 53** allows the State Board of Land Commissioners through the Department of Lands to issue oil and gas leases for terms "up to" 10 years. **Idaho Statute 47-801** currently limits the lease term to exactly 10 years. This legislation will allow the Department the discretion to issue leases of shorter than 10 years when in the best interest of the endowed beneficiary.

In answer to a committee question, **Mr. Murphy** explained the term "school lands" actually refers to State Endowment Trust Lands.

Chairman Gibbs requested the record reflect there was no public testimony for **H 53**.

MOTION: **Rep. Blanksma** made a motion to send **H 53** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Giddings** will sponsor the bill on the floor.

H 52: **Tom Schultz**, Director, Idaho Department of Lands presented in place of **Eric Wilson**. He stated the purpose of the Interstate Oil and Gas Compact Commission, or IOGCC, is to conserve oil and gas by preventing waste and maximizing the production while protecting human health, safety, and the environment. The Chairman is always a governor from a member state. Oil and gas regulation is handled largely by the states, and no federal standards exist. Since 2011, Idaho has been updating its own oil and gas regulatory program. Thirty states are now members of the IOGCC. Idaho is currently an associate member as full membership is limited to only gas producing states. In 2016, Idaho became the newest oil and gas producing state in the union, and is now eligible to apply for full membership. Full membership will allow Idaho to have a voice in national oil and gas policies, will provide access to nationwide resources and assistance for enhancing programs, and will inform the state early on about emerging state and national trends. Full membership will not have an impact on the General Fund, but an additional \$6,000 from existing dedicated fund appropriation is required to cover full membership dues.

Kate Haas, representing Alta Mesa offers an industry prospective **in support** of this legislation. Idaho is the only state in the IOGCC who is not a full member. The IOGCC is a cooperative organization whose members trade best practices with things going on in the industry and it would be good for Idaho to become a full member.

Julia Page, representing IORC, is **in opposition** to this legislation. She stated the purpose of the IOGCC in the early years was to reign in over-production of oil and gas to reduce waste. Those days are done now and the IOGCC today works more as a lobbying group for the oil and gas industry. She stated they do not support or agree with several actions of the IOGCC including the fracking loophole, police powers, and the fact the IOGCC still does not follow the open records act allowing them to remain unaccountable to the public for what they do.

Elizabeth Roberts, representing IORC, is **in opposition** of this legislation. She believes that Idaho already has laws that prohibit waste. Rather Idaho should use the money to enforce laws already on the books like monitoring for unnecessary leaks and venting, tightening current standards that allow companies to flair or leak or use gas in their own equipment without paying royalties and taxes, and for more fairness for mineral owners.

Cay Marquart, self, said she didn't want to repeat what was already said, but requested the committee review testimonies from those that have already spoken. She is **in opposition** to this legislation.

MOTION: **Rep. Burtenshaw** made a motion to send **H 52** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Erpelding, Rubel, and Jordan** requested to be recorded as voting **NAY. Rep. Boyle** will sponsor the bill on the floor.

H 51: **Lori Thomason**, Executive Director, Idaho Outfitters and Guides Licensing Board stated the purpose of this legislation is to clarify the license year between Statutes **36-2102(g)** and **36-2109** to make the statute years consistent with each other. There will be no fiscal impact with this change.

MOTION: **Rep. Erpelding** made a motion to send **H 51** to the floor with a **DO PASS** recommendation. He declared Rule 38. **Motion carried by voice vote. Rep. Erpelding** will sponsor the bill on the floor.

Chairman Gibbs requested the record reflect there was no public testimony for **H 51**.

Chairman Gibbs passed the gavel to **Vice Chairman Gestrin**.

RS 25058: **Rep. Gibbs**, District 32, stated this proposed legislation amends Section **42-3301**, Idaho Code to provide for alternate commissioners to the Bear River Compact Commission with the power to vote. It also makes a technical correction.

MOTION: **Rep. Raybould** made a motion to introduce **RS 25058. Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:06pm.

Representative Gibbs
Chair

Tracey McDonnell
Secretary