

MINUTES
HOUSE RESOURCES & CONSERVATION COMMITTEE

DATE: Thursday, February 27, 2020

TIME: 1:30pm or Upon Adjournment

PLACE: Room EW40

MEMBERS: Chairman Gibbs, Vice Chairman Gestrin, Representative(s) Moyle, Shepherd, Wood, Boyle, Vander Woude, Mendive, Kauffman, Blanksma, Addis, Lickley, Moon, Raybould (Erickson), Rubel, Toone, Mason, Necochea

**ABSENT/
EXCUSED:** Representative(s) Moyle, Vander Woude, Rubel, Mason

GUESTS: Jeremy Chou, Givens Pursley; Elizabeth Criner, J.R. Simplot Company; Mike Murphy, Mick Thomas, and Ryan Montoya, Idaho Department of Lands

Chairman Gibbs called the meeting to order at 3:31pm.

MOTION: **Rep. Toone** made a motion to approve the minutes of the February 17, 2020 meeting. **Motion carried by voice vote.**

H 547: **Benjamin Davenport**, Executive Director, Idaho Mining Association, stated Idaho has long been known as a mineral rich state and it was the discovery and mining of these minerals that led to the state's settlement. He continued, for over a century, prospectors and miners have been mining on lands in Idaho, including state endowment lands, utilizing mineral leases governed by the State Land Board. These explorations, prospecting, and mining operations are measured in years and decades rather than days and months. This legislation clarifies the length of leasing terms and how a mineral lease with the Idaho Department of Lands may be continued based on the actions of the lessee.

Mr. Davenport indicated the purpose of these revisions is to encourage mining activities on endowment lands so if those efforts produce minerals, the endowments receive more returns in royalties. He remarked exploration and development of a potential mineral resource can take millions of dollars and in most cases over a decade to prove and permit, so it is important the leases provide the confidence for a lessee to invest the time and money into development without the jeopardy of a term expiring before permitting or funding can be secured.

Mr. Davenport continued, the Association has been working with the Department for over three years to create a new lease template that reflects the statutory and constitutional framework necessary to operate. The following changes will make Idaho's mineral leasing statute consistent with other states and provide the needed updates: 1) allow terms of mining leases to continue in "good faith" as long as mining exploration, prospecting, or operations are being performed; 2) lengthen the potential lease length beyond the current ten year limit; 3) allow rent rates to be tiered to inflation in order for the Department to stay current with market values; 4) provide for the option of pre-paid royalties as this allows industry to plan for the future and provides a revenue stream to the endowment prior to any actual production taking place; and 5) define rights, for access to minerals, for a lease to continue regarding mining infrastructure such as roads, access, buildings, trails, tunnels, shafts, and other surface improvements, located on the land near or adjacent to actual operations.

A committee member commented with concern that extending the ten year lease to 20 years might create an anti-competitiveness situation. **Mr. Davenport** replied the new language in **H 547** actually states "up to 20 years" providing leeway for the Department to decide on a case by case basis what is appropriate for each lease.

Jeremy Chou, Givens Pursley, stated he is representing Keceph Mountain LLC, a small father-daughter hard rock mining operation, located in the Silver Valley. He explained, they have been working with the Department for the last six years trying to obtain a lease and are still waiting. In the meantime, they have been paying rent, fees, and royalties while they dispute issues within the current statute to obtain their lease. Mr. Chou stated **H 547** addresses many of these concerns, so on behalf of Keceph Mountain LLC, stands **in support** of **H 547**.

Reps. Boyle, Mendive, and Moon declared Rule 80, all stating a possible conflict of interest.

A committee member asked **Mr. Davenport** if the Department had been included in discussions regarding **H 547**. Mr. Davenport yielded the podium to **Mike Murphy**, Program Manager for Mineral Leasing, Idaho Department of Lands. Mr. Murphy stated the Department has not taken a position on **H 547**, but agrees to address the issues with the template should this bill pass.

MOTION: **Rep. Blanksma** made a motion to send **H 547** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Moon** will sponsor the bill on the floor.

H 527: **Rep. Zito**, District 23, stated **H 527** is about captive cold-blooded animals and will yield her time to **Darcy Geary**. Mr. Geary, representing himself, Homedale, Idaho, explained this bill would amend Idaho Code to remove the requirement for a license for certain cold-blooded animals to be used in the pet trade or kept as pets. This bill would not authorize the import of animals whose import would be in violation of state or local laws, rules, or regulations and would allow pet owners to purchase certain cold-blooded animals directly from breeders without having to pay higher prices from brick and mortar pet stores.

Chairman Gibbs indicated the Idaho Department of Fish and Game is **in opposition** to **H 527** and submitted the Department's written testimony for the record. (See Attachment 1)

Chairman Gibbs requested the record reflect nobody came forward to testify.

After committee discussion, including issues such as the legalities of possessing venomous snakes and certain cold-blooded animals as household pets, if certifications are needed from veterinarians, what happens to the animal if the individual doesn't want that pet any longer, and if any other state or federal laws would be violated by purchasing and possessing certain cold-blooded animals, it was the conclusion of the committee more information would be needed before members feel comfortable moving this bill forward.

MOTION: **Rep. Moon** made a motion to hold **H 527** in committee. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:15pm.

Representative Gibbs
Chair

Tracey McDonnell
Secretary