

MINUTES
HOUSE RESOURCES & CONSERVATION COMMITTEE

- DATE:** Tuesday, March 21, 2017
- TIME:** 1:30pm or Upon Afternoon Adjournment
- PLACE:** Room EW40
- MEMBERS:** Chairman Gibbs, Vice Chairman Gestrin, Representatives Moyle, Raybould, Shepherd, Wood, Boyle, Vander Woude, Miller, Burtenshaw, Mendive, Youngblood, Kauffman, Giddings, Blanksma, Erpelding, Rubel, Jordan (Ringo)
- ABSENT/
EXCUSED:** None
- GUESTS:** Elizabeth Roberts, self; Miguel Legarreta, Associated Taxpayers of Idaho
Chairman Gibbs called the meeting to order at 2:15pm.
- MOTION:** **Rep. Kauffman** made a motion to approve the minutes from the March 13, 2017, March 15, 2017, and March 17, 2017 meetings. **Motion carried by voice vote.**
Chairman Gibbs passed the gavel to **Vice Chairman Gestrin**.
- SJM 102:** **Rep. Gibbs**, District 32, stated **SJM 102** asks Congress for a 10-year moratorium on listing sage grouse, time to implement Idaho's Sage Grouse Conservation Plan, and an amount of time to evaluate its effect. It also asks Congress not to fund or implement federal land use plan amendments for a period of 10 years if they are inconsistent with the State's Sage Grouse Conservation Plan. Additionally, he stated it asks Congress not to make any funds available for use by the Secretaries of Interior or Agriculture to consider, prepare, write, or issue any decision documents through their respective agencies not prescribed by the State's Sage Grouse Conservation Plan and not approved by Idaho's Office of Species Conservation.
- MOTION:** **Rep. Miller** made a motion to send **SJM 102** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Reps. Erpelding, Rubel, and Ringo** requested to be recorded as voting **NAY.** **Rep. Gibbs** will sponsor the bill on the floor.
Vice Chairman Gestrin passed the gavel to **Chairman Gibbs**.
Chairman Gibbs returned **H 301** to the committee for consideration, which was held for time certain from the meeting of Monday, March 20, 2017.
- H 301:** **Chairman Gibbs** began public testimony where the committee left off from the meeting of Monday, March 20, 2017.
Those speaking in support of **H 301** were **Braden Jensen**, representing Idaho Farm Bureau; **Charlene Quada**, representing self; **Rep. Ryan Kerby**, representing District 9.
In summary, those speaking in support of **H 301** believe it will benefit and protect the financial interests and the medical health of Idaho landowners when under contract with companies to produce oil and gas products. It provides both transparency and accountability from both industry and public officials crucial to protecting the rights of Idahoans.
Those speaking in opposition to **H 301** were **Wade Moore III**, representing Alta Mesa; **Richard Brown**, representing Snake River Oil and Gas; **Todd Walker, Mark Crawford, Charles Brannen, Lynn Gentry, and Danny Ellis** all yielded their time to **Michael Christian; Michael Christian**, representing Marcus, Christian, and Hardee.

In summary, those speaking **in opposition** to **H 301** believe if the state wanted to kill the oil and gas industry then this is the bill to do it; bad process makes bad bills. This is an intrusion into private contract negotiations. They believe the integration increase to 67% is intended to make it more expensive for oil and gas companies to operate in Idaho.

Chairman Gibbs called a recess of the committee at 3:51pm.

Chairman Gibbs reconvened the meeting at 4:05pm.

Tom Schultz, Director, Idaho Department of Lands, returned to the podium to clarify several points raised during the hearing process. He stated this is not a consensus bill, but there is a diversity of viewpoints and interests represented. He further stated there are many provisions in this bill that are standard language in other states such as reporting requirements, surface owner protections, and grounds for non-payment. Regarding the confusion about spacing vs. drilling units, metering, public data, payment of royalties and other issues, he did agree the language could be tightened up. Mr. Schultz stated government is incremental in nature and looks at this as a starting point that can be worked on and improved upon through the rule making process, and application through trial and error. He believes the main point or goal is greater transparency and greater information to royalty owners. Ultimately, the Commission's role is to protect and promote public interest and prevent waste, promote the orderly development of resources, and the protection of correlative rights.

Rep. Boyle, District 9, stated this has been in the works for a long time. She stated there were major problems that needed to be addressed, and as a result has done months and months of research to prepare this bill with support from others, all the representatives from District 9, the Governor, the Speaker, and Alta Mesa. She stated the proper role of government is the protection of private property and in Idaho, the State Endowment Lands. The consequences of not passing this bill will allow a monopoly to continue and property owners and the endowment will suffer. Additionally, not passing this bill will hamstring the Department of Lands.

MOTION:

Rep. Vander Woude made a motion to send **H 301** to General Orders.

SUBSTITUTE MOTION:

Rep. Gestrin made a motion to send **H 301** to the floor with a **DO PASS** recommendation.

AMENDED SUBSTITUTE MOTION:

Rep. Wood made a motion to **HOLD H 301** in committee.

MOTION WITHDRAWN:

Rep. Gestrin withdrew his substitute motion to send **H 301** to the floor with a **DO PASS** recommendation.

ROLL CALL VOTE:

Chairman Gibbs called for a roll call vote on the amended substitute motion for **H 301**. **Amended substitute motion failed by a vote of 9 AYE and 9 NAY.**
Voting in favor of the amended substitute motion: **Reps. Raybould, Wood, Miller, Burtenshaw, Youngblood, Kauffman, Giddings, Blanksma, and Gibbs.**
Voting in opposition to the amended substitute motion: **Reps. Gestrin, Moyle, Shepherd, Boyle, Vander Woude, Mendive, Erpelding, Rubel, and Ringo.**

VOTE ON ORIGINAL MOTION:

Chairman Gibbs called for a vote on the original motion to send **H 301** to General Orders. **Motion carried by voice vote.** **Reps. Gibbs and Burtenshaw** requested to be recorded as voting **NAY.** **Rep. Boyle** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 5:00pm.

Representative Gibbs
Chair

Tracey McDonnell
Secretary