

MINUTES  
**SENATE AGRICULTURAL AFFAIRS COMMITTEE**

**DATE:** Tuesday, January 22, 2019

**TIME:** 8:00 A.M.

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Guthrie, Vice Chairman Den Hartog, Senators Patrick, Harris, Mortimer, Lent, Bayer, Jordan, and Nelson

**ABSENT/ EXCUSED:** None

**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.

**MINUTES APPROVAL:** **Vice Chairman Den Hartog** moved to approve the minutes of January 10, 2019. **Senator Mortimer** seconded the motion. The motion carried by **voice vote**.

**RS 26438** **Relating to Burning Crop Residue.** **Tiffany Floyd**, Air Quality Division Administrator, Idaho Department of Environmental Quality (DEQ) explained that this is a proposed amendment to the language in Idaho Code § 39-114. It relates to when the burn fee and the crop residue burning program is paid. In 2008 the Idaho Legislature enacted Idaho Code § 39-114, which requires DEQ to manage the burning of crop residue. It specifically states that anyone planning to burn crop residue must pay a fee in the amount of \$2 per acre to the DEQ prior to burning. This citation requires growers to estimate acreage they expect to burn and pay the fee without knowing air quality or weather conditions that could affect their burning. This has resulted in growers overpaying for actual hours burned and has also caused difficulties for the DEQ in managing payments or credits to the grower fee accounts. The DEQ determined that a payment based on actual hours burned would eliminate these situations, so they are proposing to change the timing of when fees are paid to an annual invoice for the actual acres burned. This legislation will have no fiscal impact to the State of Idaho.

**MOTION:** **Senator Mortimer** moved to print **RS 26438**. **Senator Patrick** seconded the motion. The motion carried by **voice vote**.

**PASSED THE GAVEL:** Chairman Guthrie passed the gavel to Vice Chairman Den Hartog.

**DOCKET NO. 60-0501-1801** **Resource Conservation and Rangeland Development Program (RCRDP).** **Terry Hoebelheinrich**, Loan Officer, Idaho Soil and Water Conservation Commission, explained that the RCRDP is a low interest loan program that is for farmers and ranchers. They finance conservation projects that concern soil, water quality, and improvement of wildlife habitat. Their wish is to expand the program into more organizations. The five basic changes the RCRDP wants to implement with this new rule are to 1.) resolve inconsistencies between the statute in the current rule; 2.) streamline the application process; 3.) update the credit guidelines with the rule; 4.) remove maximum loan limits; 5.) and make other technical changes that will help facilitate the loan process.

**DISCUSSION:** **Senator Mortimer** raised a concern that the RCRDP will allow something to happen before the loan is in process, which could break a lien priority. **Mr. Hoebelheinrich** answered that he would go back to their legal counsel to discuss the issue with them.

**Senator Patrick** commented that he would assume that there wouldn't be any issues regarding liens if they made sure that the lien holders were paid off prior to issuing money to the borrower. **Mr. Hoebelheinrich** answered that they do require that the applicants obtain, review, and submit an invoice to the RCRDP in order to pay off the vendors who are owed money.

**Senator Mortimer** asked Mr. Hoebelheinrich how many loans they have given out and how they are able to pay those loans. **Mr. Hoebelheinrich** answered that there are 70 loans worth about \$2.9 million and \$6 million in cash in their portfolio.

**Senator Mortimer** raised a concern that eliminating all loan limits wouldn't protect any diversification on their portfolio. **Mr. Hoebelheinrich** answered that they have raised this concern; however, they are confident that they will not issue loans big enough to put them at financial risk.

**Senator Bayer** asked where their funds come from. **Mr. Hoebelheinrich** answered that their funds come from a dedicated fund from estate taxes which were partly allocated towards their program.

**Chairman Guthrie** asked if they have had any bad loans in the history of the program. **Mr. Hoebelheinrich** answered that during his tenure as a loan officer he has not been aware of loans that were written off.

**MOTION:** **Senator Mortimer** moved to hold **Docket No. 60-0501-1801** to the call of the Chair. **Senator Jordan** seconded the motion. The motion carried by **voice vote**.

**DOCKET NO. 08-0501-1801** **Rules Governing Seed and Plant Certification.** **Traci Bent**, Chief Planning and Policy Officer, State Board of Education, explained that the rule updates the Idaho Potato Certification Standards that are incorporated by reference. It changes the terminology from generation to filled years. This was done to be consistent with the national terminology so that they would no longer have to provide a crosswalk between generation and filled year.

**MOTION:** **Senator Patrick** moved to recommend approval of **Docket No. 08-0501-1801** to the Senate Education Committee. **Senator Harris** seconded the motion. The motion carried by **voice vote**.

**PASSED THE GAVEL:** Vice Chairman Den Hartog passed the gavel back to Chairman Guthrie.

**ADJOURNED:** **Chairman Guthrie** adjourned the meeting at 9:02 a.m.

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Senator Guthrie  
Chair

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Jacob Garner  
Secretary