

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
January 12, 2010
Room 415, State Capitol Building, State Capitol Complex**

MEMBERS PRESENT: Sen. Dennis Stowell, Co-Chair
Rep. Kerry W. Gibson, Co-Chair
Sen. Brent Goodfellow
Rep. Roger Barrus
Rep. Jack Draxler
Rep. James R. Gowans
Rep. Michael E. Noel
Rep. Christine Watkins
Rep. Bill Wright

MEMBERS ABSENT: Sen. David Hinkins
Rep. Michael E. Noel

STAFF: Ivan Djambov, Fiscal Analyst
Linda Service, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Gibson called the meeting to order at 9:22 a.m. He welcomed committee members and visitors. Rep. Draxler moved to accept the minutes of February 12, 2009. The motion passed unanimously.

Current Status of Seed Technology

Dr. Ralph Whitesides, Utah State University, along with Earl Creech and Corey Ransom, reviewed the Current Status of Seed Technology. Cory Ritz, Forage Genetics International, discussed a handout, Roundup Ready Alfalfa - Update. Clarification was provided to concerns of committee members.

MOTION: Rep. Draxler moved that the chairs of the committee be asked by the committee to write a letter to the correct agencies and individuals in support, specifically, of Roundup Ready hay seed and, also in support, in general, for technologically advanced products that increase yields and improve the agricultural industry.

MOTION: Rep. Barrus moved a substitute motion to include everything Rep. Draxler proposed, in addition to taking the position that the injunction against Roundup Ready Alfalfa should be removed. The substitute motion passed unanimously.

State Budget Update and Executive Appropriations Committee Direction to Subcommittees and Target for FY 2010 - Analyst

Ivan Djambov, Fiscal Analyst, presented the Budget Update. He outlined the budget challenge for the current year as three-fold: (1) current year backfill - \$445 m, (2) available revenue - minus \$194 m one-time and minus \$88 m ongoing, and (3) increasing demands - \$200 m. The analyst reviewed the December revenue showing a consensus revenue estimate for 2011 of +\$12 m. The analyst discussed the Process - the Executive Appropriations Committee is charged to: (1) review and adopt revenue estimates, (2) set aside amounts for later consideration, (3) approve a base budget, and (4) allocate an

amount to each subcommittee. The EAC approved the revenue amounts for the current FY 2010 and FY2011. They removed the \$100 m of one-time revenues anticipated to come in 2011 to set aside for later consideration. The EAC approved 98% of base budgets based on the 2010 on-going base budgets. The decision was made to charge subcommittees to adopt 5% ongoing reductions for FY 2011 and 4% one-time reductions for FY2010. Our target - \$2,643,700 in ongoing reductions for FY2011 and \$2,115,000 in one-time offsets for FY 2010.

FY 2010 Budget Recommendations

The Fiscal Analyst reviewed Proposed 4% One-Time Budget Reductions FY 2010 for the Natural Resources Appropriations Subcommittee. Directors from various Divisions of the Utah Department of Natural Resources voiced their concerns over the proposed reductions and responded to questions from committee members.

MOTION: Sen. Stowell motioned to approve the 4% One-Time Budget Reductions FY 2010 as targeted. The motion passed unanimously.

Rep. Gibson introduced and welcomed Bill Wright, new committee member.

Coal Fees

Sen. Stowell introduced John Baza, Director, Utah Division of Oil, Gas and Mining. Director Baza, assisted by Paula Dupin-Zahn, Finance Manager, delivered a discussion on coal mining and reclamation fees. A 2007 Legislative audit of the coal program recommended the Division of Oil, Gas and Mining devise a fee structure and present it to the Legislature for their consideration. After considering several suggestions from the Division and the Utah Mining Association, it was concluded that the options are: (1) maintain status quo - no action required, or (2) recommend a new fee schedule approved by the Appropriations Subcommittee - no statutory language change needed.

Todd Bingham, Utah Mining Association, noted that the coal industry recognizes the challenges the state budget is under. He commented on the importance of state primacy and the concern the Association has regarding imposing additional fees.

MOTION: Rep. Barrus moved to adjourn the meeting at 12:05 p.m. The motion passed unanimously.

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