

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
January 19, 2006
Room W130, West Office, Building, State Capitol Complex**

MEMBERS PRESENT: Sen. Thomas Hatch, Co-Chair
Rep. Bradley T. Johnson, Co-Chair
Sen. Beverly Evans
Sen. Parley Hellewell
Rep. Ben C. Ferry
Rep. Kerry W. Gibson
Rep. Rebecca Lockhart
Rep. John G. Mathis
Rep. Ronda R. Menlove
Rep. Michael E. Noel
Rep. Carl W. Duckworth
Rep. James R. Gowans

STAFF: Ivan Djambov, Fiscal Analyst
Cindy Hopkin, Committee Secretary

SPEAKERS: Mike Styler, Director Natural Resources Administration; Craig Call, Property Rights Ombudsman; Joel Fransen, Director Forestry, Fire and State Lands; Mark Forbes, Former Finance Manager FFSL; and Dan Tuttle, Chair FFSL Advisory Council.

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

Rep. Johnson called the meeting to order at 2:20 p.m.

Ivan Djambov, Fiscal Analyst introduced the Department of Natural Resources (DNR) Budget. The DNR Administration's goal is to ensure the coordination and cooperation of the Natural Resources Divisions and to provide quality administrative support. The DNR offices include: Executive Director, Private Property Ombudsman, Finance, Auditing, Public Affairs, Law Enforcement oversight, and the Bear Lake Regional Commission. The 2005 Legislature discontinued the Office of Energy.

In FY 2005 the Legislature appropriated \$2 million one-time General Funds to DNR for watershed and habitat improvements. The Division used this funding as seed money to draw over \$6 million by forming partnerships with other organizations and together they were able to work on nearly 80 habitat and watershed restoration projects, treating 125,000 acres. For FY

2007 DNR is requesting an additional one-time \$2 million General Fund appropriation. The Committee may consider placing this request on the funding priority list for the Executive Appropriations Committee.

The Bear Lake Commission is a non-profit organization working with local leaders to protect Bear Lake. The agency is requesting that the FY 2006 one-time General Fund appropriation of \$50,000 be made ongoing in FY 2007. However, the Analyst recommends the Committee provide a one-time appropriation of \$50,000 from the General Fund for FY 2007 through reallocation of base budgets.

DNR has started state-wide safety improvements with the anticipation of significant returns through a reduction in claims. The planned projects include: safety fencing at Iron Mission Park, organizing a safety training library, providing incentives to employees with safety longevity, and etc. The DNR request for FY 2007 is a \$75,000 one-time General Fund appropriation to implement the safety projects.

DNR has three Internal Service Funds (ISFs): Warehouse, Motor pool, and Data Processing. The ISFs provide specific services to several agencies within the Department. This allows economy of scale and coordinating services, avoiding duplication of efforts. There are no proposed rate changes for any of the three DNR Internal Service Funds for FY 2007.

The purpose of the DNR's Species Protection program is to take action to protect any plant or animal species identified as sensitive by the state or as threatened by the federal government. There is proposed intent language that the DNR report to the Natural Resources, Agriculture, and Environment Interim Committee and the NRAS by their November, 2006 meeting to make another presentation providing detailed information with the intension to increase accountability for the funds expended.

The DNR Building Operations is the line item that keeps track of the repayment of the bond for the Building at 1594 West North Temple; there are no recommended changes of appropriations for FY 2006.

Rep. Noel requested information regarding an overlap of budget and personnel from the Division of Wildlife Resources (DWR) and the DNR for Endangered Species.

Director Styler responded that the Species Protection Group consists of 3 people who contract for specific work to be done thru BYU and Utah State professors to do work for recovery and research on these species. They also contract with some DWR biologists to do some of this work. They contract with many different groups, such as the Central Utah Project, the Tortoise Preserve, and the Colorado River Group; as well as private groups. The Species Protection Group oversees the work as well as contracting for it to be done.

Sen. Hatch commented that the fund for the Species Protection Group was originally created primarily to deal with desert tortoise problems. At the time there were no resources for the state to offer to help mitigate federal regulations. Even though DWR had a portion of their budget and some of their biologists working on these issues; when it came to recovery efforts and stabilization of desert tortoise populations, the state didn't have resources or money they could draw upon to participate. The fund was created with the idea that it would be a resource for different entities to draw upon using an RFP type basis where a proposal of the work is submitted showing what it will accomplish (how it will delist a species, or keep it from being listed). The research and the proposal would then be evaluated and appropriation would be based on available funding.

Dir. Styler stated that DNR Administration agrees with the Fiscal Analyst in regards to the Watershed and Habitat Initiative. They think the \$2 million was well spent last year and they hope the committee will prioritize that request again. DNR Administration is asking that the \$50,000 for the Bear Lake Commission be ongoing instead of a one-time appropriation. They are requesting that the \$75,000 for the Safety Improvement Projects also be made ongoing instead of a one-time appropriation; and request that it be prioritized because there is salary involved.

Craig Call, Property Rights Ombudsman described some of the benefits to the state provided by his office. His job is to give people information to help them decide how to act in response to government action involving their property; and then, if at all possible, he helps keep the dispute out of court. The ombudsman tries to conciliate or mediate; and has the authority to order arbitration. If he considers an owner's property acquisition issue to be legitimate, whether it might be a taking of private property or where there's an issue of immanent domain, or a relocation of people out of their homes; he can order the government to show up at an arbitration hearing, explain their action and allow a neutral arbitrator, or panel of arbitrators, to make a decision about the issue. It can then be appealed to court if necessary, but his goal is to make solutions so credible and fair that court isn't necessary. In 8 years, only one time has one of those arbitrations been appealed to court, and then it was settled the next week. Mr. Call has also published a book and pamphlets about Utah land use regulation issues.

Dir. Styler provided a handout of the DNR's budget recommendations, and their FY 2007 budget cost increases and explained the need for their requests.

Rep. Noel questioned that since the state has 468,000 hunters and fishers purchasing licenses, and paying sales tax when they buy rifles, shells, fishing line, and other products every year which contributes directly to the state's economy; shouldn't some of that money come back to the program?

Sen. Hatch stated that Wildlife associated recreation contributed 1.4 billion to the economy of

Utah. We are relying on the hunters and fishermen to basically carry the DWR load for the general public. Even though NRAS has tried to provide a mechanism for the public in the past to contribute, it has been on a voluntary basis and has been very unsuccessful. He thinks there should be more General Funds appropriated to DWR for non-game programs and the contributions that DWR makes for Utah's economy.

Rep. Menlove expressed concern that Utah has a wholesome recreation that is almost a dying recreation because it is not reimbursed well. DWR is preserving wildlife and land so that these resources are available to people for fishing and hunting, then putting a lot of capital into it, and then making it so restrictive families can't afford to enjoy these recreations together. This is embarrassing in light of the budget surplus. Rep. Menlove thinks maybe NRAS should look at a sales tax exemption for hunting and fishing items, since there is discussion about taking the sales tax off of other things; and then perhaps take a more aggressive stance in regards to this issue. Rep. Menlove supports the DNR list of priorities because it supports Utah family traditions.

Sen. Hatch commented that Utah is different than the surrounding states in that we try to cater to the Utah hunters. Utah could probably raise a lot more revenue if we allowed more than 10% of our big game permits to be purchased by out-of-state hunters and priced those on a highest bidder basis. If we do that, there is a loss as Rep. Menlove stated, to Utah's citizens.

Dir. Styler confirmed that the state could go without the proposed increase in prices if we doubled or tripled the number of out-of-state hunter permits; but we knowingly pay a price by keeping 90% of the big-game permits for Utah residents.

Rep. Mathis spoke regarding the differences in price increases between in-state and out-of-state permits. For example, a resident bull moose permit is going up from \$308 to \$408 while the non resident permit is only increasing by \$32.

Dir. Styler requested looking at last year's increases. For example, non-resident bull moose permits are \$1550; that fee was increased by \$500 last year. It only appears that Utah is favoring non-residents.

Joel Frandsen, Dir. Forestry, Fire and State Lands; assisted by Mark Forbes, Former Finance Manager FFSL; and Dan Tuttle, Chair FFSL Advisory Council; presented the division's budget requests. To cover fire suppression costs exceeding the available funds in the Fire Suppression Program, the division is requesting for FY 2006 a supplemental appropriation of \$4 million from the General Fund with an additional \$2 million for revegetation to combat undesirable annual grasses.

The Wildland Fire Suppression Insurance Fund was established by the Legislature to provide a

mechanism to pay for fire suppression on privately owned and county lands. The funding, which comes from General Fund as well as from participating counties, is inadequate and costs have consistently exceeded collections. The desired balance is approximately \$8 million but as of December 2005 the balance was about \$3 million.

Annual grasses, primarily cheatgrass, dominate about 25 million acres of the Great Basin, roughly 1/3 of the land in the area. Cheatgrass has little value as forage for wildlife or livestock and is adept at taking over disturbed areas. Cheatgrass is a volatile fuel that carries fire quickly, and is the primary reason behind the Great Basin's downward ecological spiral since cheatgrass (and other annual weeds) promotes fire and fire promotes cheatgrass. *Kochia prostrata* is an example of a non-native species that can help counter the infestation of cheatgrass and other undesirable species. It is tolerant of fire and salinity and can be used as fall and winter forage. The 2003 Apex fire in Southern Utah burned up to the *Kochia* and then burned around it (similar results were noted with fire-resistant species during the 2005 fire season). \$2 million would augment the budget so the division could get the right kind of vegetation growing which would provide fuel brakes and save money in the future.

The division is contractually obligated to provide sewer facilities to Saltair's lateral line. Last year the Legislature provided for FY 2006 a one-time appropriation of \$100,000, but the costs of the project are expected to be higher than originally estimated. The division is requesting \$110,000 in supplemental appropriation for FY 2006 from the restricted fund.

To develop two trailer-mounted Structure Protection Kits for deployment in wildland urban interface communities threatened by wildfire, the division is requesting for FY2007 a one-time appropriation of \$105,000 from the restricted fund.

The division has been challenged to recruit qualified people to fill vacant professional positions and is requesting for FY 2007 an on-going appropriation of \$62,000 from the restricted fund to hire an intern from one of the local universities with forestry and fire programs.

The agency owns or has rights to various parcels of land stemming from sovereign lands, legacy grants, and donations which need repair and maintenance. Currently there is no established funding to address these needs. The division is requesting for FY 2007 one-time appropriation of \$50,000 from the restricted fund to establish a non-lapsing account to address these needs.

Dan Tuttle spoke regarding 28,000 acres of Mount Tabby property that SITLA wants to sell to private owners which would result in loss of hunting. He recommends reserving this land for public use.

Rep. Johnson stated that NRAS has a chance to do something significant for the state by supporting Rep. Noel in his candidacy for BLM State Director. He suggested that the

committee go on record and also play an active roll supporting him. He requested committee involvement in a conference call with Kathleen Clarke.

Rep. Mathis suggested that NRAS members write individual letters of recommendation for Rep. Noel.

MOTION: Rep. Gowans moved that NRAS go on record as supporting Rep. Michael E. Noel for the BLM position of State Director and that the committee Co-Chairs organize efforts, such as the phone conference, to help forward his candidacy. The motion passed unanimously with Rep. Noel abstaining and Sen. Hellewell absent for the vote.

MOTION: Rep. Gibson moved to adjourn the meeting at 4:25 p.m. The motion passed unanimously with Sen. Hellewell absent for the vote.

Rep. Bradley T. Johnson, Co-Chairman

Sen. Thomas Hatch, Co-Chairman