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*“One of the methods used by statist to destroy capitalism consists in establishing controls that tie a given industry hand and foot, making it unable to solve its problems, then declaring that freedom has failed and stronger controls are necessary.” - [Ayn Rand](#)*

## Stockwater Bills Move to Senate Floor

This week the Senate Resources & Conservation Committee unanimously approved S1111 and S1101. The bills will now move to the Senate floor for consideration before moving to the House Resources & Conservation Committee.

The first bill, S1111 places important elements of the *Joyce Livestock* Idaho Supreme Court decision into Idaho Code. It states that no federal agency can receive a stockwater right unless the agency owns livestock and puts the water to beneficial use. It clarifies that a stockwater right is a water right used to water livestock, and it also clarifies that a grazing permittee on a federally administered grazing allotment is not an agent acting on behalf of the federal government. S1111 specifies that any change in use or ownership of a stockwater right that does not comply with the provisions of the bill will be denied. Senator Mark Harris (R-Soda Springs) is the sponsor of S1111.

The second bill, S1101, seeks to assist  
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## Farm Bureau Opposes Craters of the Moon Designation

This week a memorial was introduced in the Senate State Affairs Committee asking Congress to designate the original 54,000 acres of the Craters of the Moon National Monument as a National Park. The proponents are convinced that this change will revitalize the local economy in Butte County and surrounding areas, which has been in decline for a number of years. Farm Bureau members are also residents of the community, and we share the desire to strengthen and boost the local economy. Unfortunately, this proposal may do just the opposite.

Proponents argue that “the only thing that will change is the name on the sign.” They claim that thousands of additional tourists will magically flock to the area to view the lava rocks and spend their money in Arco and Carrey. They also “promise that there will be no negative effects on the current uses of the surrounding lands” including grazing, hunting, ATV riding and other recreational opportunities. Our members are very skeptical of these claims.

Unfortunately, we have witnessed

first-hand numerous times when well-intentioned promises simply have not been kept due to circumstances far beyond their control. Despite the requests in the memorial to keep things as they are, once the Monument has been designated a Park, there is little, if anything the local people can do to stop the campaigns by national environmental groups to “protect the park” and to “save the rocks” from the traditional uses surrounding the area. Every renewal of a grazing allotment near the park will be vigorously protested. Every travel plan update will be pressured to prohibit ATV riding and other off-road recreating surrounding the park. Scores of out-of-state “stakeholders” will demand that hunting around the park be eliminated.

This has happened time after time across the west. There is absolutely no evidence that it will not happen in this case, despite any well-intentioned requests to Congress. Space does not permit, but the Idaho Farm Bureau is aware of several recent, specific examples here in Idaho when  
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## Stockwater Bills

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those ranchers who had filed legitimate stockwater claims during the Snake River Basin Adjudication, but were bullied into withdrawing their claims by the BLM. The BLM filed competing claims and told the ranchers that they would fight them in court and it would cost the ranchers a bundle of money if they did not drop their claims. Now that the Idaho Supreme Court has confirmed that federal agencies are not entitled to stockwater rights unless they put the water to beneficial

use, the ranchers can again file their claims. S1101 would cap the amount of fees or other costs associated with filing stockwater claims at a maximum of \$100. Much of the work that was completed during the original filing of claims by these ranchers can now be used to ensure they finally receive their legitimate stockwater rights. S1101 is sponsored by Senator Bert Brackett (R-Rogerson).

Ranchers Tim Lowry and Paul Nettleton, who were both involved the

Idaho Supreme Court cases, traveled to Boise to testify in favor of the bills. They provided compelling testimony to the committee regarding what led up to the Joyce decision, as well as why it is important for the state to codify the decision. Jerry Hoagland, Owyhee County Commissioner also testified in favor of the bills. IFBF policy #53 supports codifying the Joyce Livestock decision and **IFBF supports both S1111 and S1101.**

## Craters of the Moon

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local stakeholders collaborated to come to a solid agreement on the appropriate use of federally administered lands only to discover a short time later that unelected bureaucrats in Washington DC decided to go a completely different direction which severely impacted the local interests. Signed, written agreements with federal agencies were disregarded, Congressional language ignored and local wishes and desires were trampled over.

The press continues to claim that the Idaho Farm Bureau is the only opposition to this effort. That is simply not true. Recently, the Idaho Farm Bureau and the Idaho Recreation Council sent a joint letter to members of the Senate and House State Affairs Committees explaining both organizations' concerns with this proposal. There are other organizations, who will also be visiting with legislators, that are equally concerned about the

unintended negative consequences of this proposal. The bottom line is that there is no actual evidence that this proposal will do what proponents claim, while there is solid evidence from multiple sources that it will harm the agricultural and recreational interests in Butte County. IFBF policy # 62 opposes any change to federal or state land designation where there is the potential to harm agriculture. **IFBF opposes SJM101.**

## New Oil and Gas Bill Introduced in House Committee

On Wednesday morning, the House Health & Welfare Committee voted to introduce an oil and gas bill sponsored by Representative Judy Boyle (R-Midvale). H232 is called the Landowner Protection Act, and is essentially a rewrite of the state's oil and gas code, giving the state more power to protect mineral and surface property owners. The bill will renumber many parts of the existing code, adding definitions, specifications, and providing additional direction to the Oil and Gas Commission.

Some of the proposed changes include:

- A restructure of the Oil and Gas Commission
- Direction to the Commission to protect all correlative rights
- Production reports, well logs, and metering information to be made public, with limits on what operators can keep confidential

- Annual inspections of all active well sites

- Establishing default spacing units for oil wells at 40 acres, and for gas wells at 160 acres

- Establishing well spacing and setbacks standards

- Setting the integration threshold at 67% instead of 55% of mineral interest owners

- Allowing the Commission to review and set the pay rates based on published rates as necessary

- Prohibiting production commingling from two or more wells prior to metering without consent from the Idaho Department of Lands

- Increasing the percentage of the proceeds paid to the oil/gas producing counties to mitigate the impacts of oil and gas production

- Providing the authority of state

agencies to share data and information, but keeping confidential information private

- Protections for land owners with specification on proximity to occupied structures, damage and interference to surface operations, etc.

- Reporting production data and sales information to royalty owners on a monthly basis

The bill has been sent to the House Resources & Conservation Committee, and will likely be heard next week. Idaho Farm Bureau will continue to monitor the bill.

Idaho Farm Bureau Policy #102 states that we support the legislature ensuring that rules for oil and natural gas production safeguard the water aquifers for all citizens and protect property owners' rights to use their property.

# Groceries, State Police, Potholes and Tax Relief – What Will Prevail?

Every year when tax revenues are pouring in well above expectations it seems to extend the legislative session because there is always disagreement about how to spend the “extra” money. This year is no exception. General Fund revenues have grown by 9.5% over last year’s revenues. That is good news, signaling that the economy is expanding. Therefore, there are lots of competing ideas that must come together before we can successfully end the session.

Many contend that the excess revenues are due to over-taxation and that taxes should be cut. There are bills that have been proposed which would reduce income tax rates while others would prefer to remove the sales tax from groceries.

Recently, with the severe damage that is occurring to many local roads and bridges from the unusually extreme weather we have experienced across

Idaho, many are advocating for using the excess revenues for road repairs and maintenance rather than tax relief. Some are even going so far as to advocate for additional tax increases to pay for road repairs. Others contend that there is plenty of money already available if all road tax money was actually spent on the roads. Currently, the Idaho State Police (ISP) are funded through fuel taxes rather than the general fund. There is an effort to shift funding for ISP to a dedicated portion of the sales tax and redirect those fuel taxes to the roads.

Farm Bureau members have long felt that once money is allocated for road repairs, every dollar should actually go into repairs and not be siphoned off into unnecessary studies and paperwork. When there is already an existing road or bridge, it is a complete waste of time and money to be required to do environmental studies prior to the needed

repair, replacement or expansion. That one change alone would save taxpayers a significant amount of money and stretch emergency repair dollars much further. We need to reduce these regulatory burdens which eat up tax dollars and waste time, requiring repairs to wait.

To provide some guidance for our legislative friends, Farm Bureau members oppose raising fuel taxes or going into further GARVEE Bond debt. Farm Bureau policy supports economy in government and reducing wasteful regulations.

Nobody can predict what will ultimately happen before the end of the session. However, one thing is certain; there will be a lot of arm-twisting, horse trading and haggling before there is a large enough group of like-minded legislators to come to a broad agreement which can move these issues forward and end the session this year.

## Dyed Fuel Enforcement Bill Killed in Senate

Sen. Bert Brackett’s (R-Rogerson) S1072, a bill that established a dyed fuel enforcement (DFE) program for the state of Idaho was killed on the Senate floor this week on a vote of 8 ayes, 26 no, 1 absent and excused.

Idaho Farm Bureau Federation (IFBF) opposed the bill as written because of 4 primary issues: 1) funding, 2) information sharing with federal agencies, 3) potential bulk storage tank inspection and 4) significant fines and penalties for first-time violators. Farm Bureau staff and President Bryan Searle met with Sen. Brackett on at least three occasions to discuss these amendment areas but were unable to reach any agreement.

However, the groundswell of opposition did not focus primarily on the issues raised by IFBF, but other aspects of the bill pointed out by individual Senators during the hour and 15 minutes floor debate.

Sen. Jim Guthrie (R-Inkom) began the opposition testimony by expressing

concerns about the inspection process, joint powers agreement, “other funding as may be available,” incidental crossing language and the .6 ppm dye standard. Sen. Guthrie said his reading of the bill told him that while DFE inspections could be conducted at any ITD (Idaho Transportation Dept.) or ISP (Idaho State Police) inspection station, no language in the bill prevented an enforcement agency from setting up inspection stations specifically for dyed fuel enforcement. He said the limited incidental crossing language was not useful to farmers and the .6 ppm dye standard much too strict.

Sen. Jeff Siddoway (R-Terretton) continued the opposition testimony by saying that farmers and ranchers “are not drunken mobsters, but salt of the earth people.” He went on to say that the .6 ppm was the equivalent of a “Smarties” candy (small mint) in 50 gallons of fluid and thought the standard excessive. Sen. Siddoway said that a farmer will use any diesel available when trying to start a

diesel engine that has run out of fuel and that if any red dye residual is left in a fuel container, that red dye will get into the vehicle’s fuel system when the fuel filter is filled and create an immediate violation for the farmer. He said the bill was not fair and the standards and fines too extreme.

Sen. Jim Patrick (R-Twin Falls) offered supporting debate at this time saying the bill was necessary to address agriculture’s bad image and the perception that “we cheat all the time” and said he was not worried about the fine.

Sen. Grant Burgoyne (D-Boise) questioned the fiscal note of \$3-8 million in lost tax revenue and suggesting polling or a survey to get better information. He said the fines were a significant hammer and questioned whether the problem warranted the fines.

Sen. Steve Bair (R-Blackfoot) talked about real-life farmer experiences and said qualified truck drivers are often hard to find. Drivers often run out of fuel

# Dyed Fuel Enforcement

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or accidentally fuel up from the wrong tank. He reiterated that even a small amount of red diesel in a fuel filter would create a violation for the farmer and was unsatisfied with the incidental crossing language. Sen. Bair concluded by saying the issue was only a perception of a problem and “it is a perception.”

Sen. Jim Rice (R-Caldwell) questioned the fiscal note’s accuracy, cited his calculations and said according to the fiscal note’s numbers “every farmer in the state is running dyed diesel on the road.” He said the fiscal note was dramatically overstated and wondered if the issue was not something minor turned into something major.

At this point, the Senate went “at ease,” Debate continued after the break. Sen. Chuck Winder (R-Boise) supported S1072 saying one solution to fix the issue was to eliminate dyed fuel and ask for a refund. He mentioned S1052, the bill sponsored by Sen. Winder and Jerry

Deckard, CapitolWest Policy Group, that got rid of the dyed fuel exemption in Idaho and said we “didn’t give it a hearing in committee.” S1052 was held in committee at Mr. Deckard’s request at the time it was scheduled for hearing in the Senate Transportation Committee.

Sen. Marv Hagedorn (R-Meridian) supported S1072; saying that Idaho has no testing system and suggested an increase in dyed fuel use was tied to high gas prices. He also said that there is no method or statute to determine who’s using what.

Idaho Tax Commission records show a 9.14% increase in dyed fuel use in 2014, dyed fuel consumption has been almost flat, while clear diesel use continues to run approximately 4-5% ahead of prior year consumption. Over a 5-year period ending 2014, the state of Washington had a 5.83% violation rate for 10,982 tests (\$984,664 total fines) while Montana experienced 469 violations out of 180,835 tests, 0.26%

or ¼ or 1 percent and total fines for the 5-year period of \$461,835.

Although Idaho has no DFE program at this time, entities concerned with agriculture’s image and speculation about widespread dyed fuel tax evasion in the ag industry should contact ISP’s motor vehicle safety division and arrange for a dyed fuel testing day among their members. Some ISP officers have received DFE test training and could probably conduct the testing if arrangements are made to compensate the agency for time and test kits.

**Idaho Farm Bureau opposed the bill as written. The Idaho Co-Op Council and Potato Growers of Idaho also opposed the bill. Supporters included Food Producers of Idaho, Idaho Dairymen’s Association, Idaho Grain Producers Association, Idaho Cattle Association, Associated General Contractors, Union Pacific Railroad, Riley and Associates, AAA and the Idaho Trucking Association.**

# Invasive Species Bills Advance

Legislative activity surrounding invasive species has picked up significantly in the last ten days. Idaho Farm Bureau policy #90 Invasive Species says “*We support adequate state funding for inspections of all water craft and other vessels to prevent the spread and infestation of quagga/zebra mussels in Idaho Waters.*” **Idaho Farm Bureau supports the two funding bills, S1112 and H211**

S1112 is a \$1,010,000 general fund supplemental appropriation to the Idaho State Department of Agriculture to conduct inspection activities until June 30, which is the end of the current fis-

cal year. This was needed to cover deficits created by the extended operational hours imposed last year. S1112 passed the Senate on a 33-1-1 vote and is now in the House. Appropriations are also being worked on for FY 2018. **Idaho Farm Bureau supports S1112.**

H211 will increase the cost of nonresident invasive species stickers to \$30 from the current \$22. Net revenues are expected to be \$70-80K. This bill is on the House 2<sup>nd</sup> Reading Calendar and should easily pass. H211 is sponsored by House Minority Leader, Rep. Mat Erpelding (D-Boise) who served on the Invasive Species

Working Group. **IFBF supports H211.**

HJM 4 is a Joint Memorial sponsored by Rep. Terry Gestrin (R-Donnelly) asking for cooperation from the western states, their Congressional delegations and the Pacific Northwest Economic Region (which includes western Canadian provinces) in efforts to deal with Quagga mussels. It is on the House 3<sup>rd</sup> Reading Calendar today. Although IFBF has no specific policy regarding some issues addressed in this HJM, IFBF has been a long supporter of general efforts to detect and prevent Quagga mussel infestation in Idaho.

## How to Contact Legislators

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