



BILL AND AMENDMENT SUMMARY

HF 2458 Ag and DNR Budget

Status of Bill: House Floor
Committee: Appropriations (House Budget Subcommittee 9-0; House Appropriations 14-9)
Floor Manager: Rep. Drake
Ranking Democrat: Rep. Wood
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HF 2458 makes appropriations to the Department of Agriculture and Land Stewardship (IDALS), Department of Natural Resources (DNR), and the Veterinary Diagnostic Laboratory at Iowa State University (ISU). The funding comes from the general fund, Environment First Fund (EFF), and the Fish and Game Trust Fund.

HF 2458 passed the Agriculture and Natural Resources budget subcommittee 9-0. The bill passed the full Appropriations Committee 14-9.

HIGHLIGHTS

- Scoops a total of approximately \$1.5 million from REAP. The bill appropriates \$16 million to REAP, status quo from FY14, but then makes special appropriations of \$250,000 to state park operations for FY14 and \$1 million to state park operations and \$300,000 for forestry health management for FY15.
- Makes changes to eminent domain law, mainly in the areas of lake development and involvement of landowners. The bill also limits specific situations when land can be taken by government entities, such as cities or state departments. In addition, the bill removes the condemnation authority of the DNR. These changes are substantially the same as HF 219, which passed the House 93-6 last legislative session and died in the Senate Judiciary Committee.
- Prohibits the DNR from exercising eminent domain power in acquiring lands using REAP Open Spaces funding.
- Prohibits the Loess Hills Development and Conservation Authority from having an agreement with any government entity that allows the authority to oversee or manage any public or private lands unless approved by a referendum of landowners within 25 miles of the land that the authority proposes to oversee or manage.
- Extends the time the DNR may use Groundwater Protection Funding for the Manure Certification Program for 1 year.
- Clarifies that information collected as part of the Water Quality Initiative is confidential.
- Allows the DNR to use unappropriated funds in the Fish and Game Trust Fund to compensate retiring conservation officers and for FY14 salary increases.

- Requires the DNR to allocate 50.0 FTEs for state park operations, maintenance, and upkeep.
- Allows additional time for the DNR to purchase radios from the Fish and Game Protection Fund.

BUDGET SPREADSHEETS

General Fund

- Appropriates \$43.1 million from the general fund. This is an increase of approximately \$2.2 million from FY 2014.
- IDALS receives \$22.4 million from the general fund, an increase of \$2 million from FY 2014.
 - The Water Quality Initiative, often referred to as the Nutrient Reduction Strategy, receives an additional \$2 million over FY 2014. This \$2 million increase is actually status quo from the 2 year budget passed last year by the legislature.
- DNR receives \$15 million from the general fund. This is status quo from FY 2014.
- The Board of Regents receives \$5.5 million from the general fund. This is an increase of approximately \$200,000 from FY 2014.
 - The Veterinary Diagnostic Lab at Iowa State University receives an additional \$237,364 from the general fund.

<u>GENERAL FUND</u>	Estimated FY 2014	Governor Revised FY 2015	HF 2458 FY 2015	House vs. FY 2014	House vs. Governor
Department of Agriculture					
Administrative Division	17,605,492	17,605,492	17,605,492	0	0
Milk Inspections	189,196	189,196	189,196	0	0
Farmers with Disabilities	130,000	130,000	130,000	0	0
Local Food & Farm Program	75,000	75,000	75,000	0	0
Iowa FFA Foundation	25,000	25,000	25,000	0	0
Water Quality Initiative	2,400,000	4,400,000	4,400,000	2,000,000	0
Silos and Smokestacks	0	200,000	0	0	(200,000)
Total IDALS	20,424,688	22,624,688	22,424,688	2,000,000	(200,000)
Dept. of Natural Resources					
Natural Resource Operations	12,862,307	12,862,307	12,862,307	0	0
Floodplain Management	2,000,000	2,000,000	2,000,000	0	0
Forestry Health	200,000	200,000	200,000	0	0
Air Quality Program	0	2,072,000	0	0	(2,072,000)
Total DNR	15,062,307	17,134,307	15,062,307	0	(2,072,000)
Board of Regents					
ISU – Veterinary Diagnostic Lab	3,762,636	3,762,636	4,000,000	237,364	237,364
ISU – Nutrient Research Center	1,500,000	1,500,000	1,500,000	0	0
Total Board of Regents	5,262,636	5,262,636	5,500,000	237,364	237,364
Loess Hills Conservation Auth.	75,000	75,000	75,000	0	0
Total Budget	40,824,631	45,096,631	43,061,995	2,237,364	(2,034,636)

Other Funds

- \$305,516 to the native horse and dog program from unclaimed pari-mutual winnings (same as FY14)
- \$500,000 to Motor Fuel Inspection from the Renewable Fuel Infrastructure Fund (Same as FY14)
- \$41.2 million from the Fish and Game Trust Fund to DNR's fisheries, wildlife, and enforcement bureaus (Same as FY14)
- \$3.4 million from the Groundwater Protection Fund to DNR to administer the programs (decrease of \$250,000 from FY14; FY14 included \$250,000 in one-time funding to set up the an online certification for the Manure Applicator Education Program)

Designated Appropriations – Miscellaneous

- \$100,000 for administration and enforcement of the snowmobile program (same as FY14)
- \$200,000 from the unassigned revenue account of the underground storage tank fund for administration of DNR's underground storage tank section (same as FY14)

Environment First Fund

- Appropriates \$42 million from the Environment First Fund (EFF). This is status quo from FY14.
- IDALS receives \$15 million from the Environment First Fund. This is an increase of \$1.75 million from FY 14.
 - Agricultural Drainage Wells receive an additional \$550,000 in Environment First Funding
 - Soil Conservation Cost Share receives an additional \$725,000 in EFF Funding
 - The Loess Hills Conservation Authority receives \$275,000 from the EFF
 - The Silos and Smokestacks program receives \$200,000 from the Environment First Fund
- DNR receives \$27 million from the Environment First Fund. This is a decrease of \$1.75 million from FY 14.
 - State Park Maintenance and Operations receives \$1.75 million less in Environment First Funding
- REAP is funded at \$16 million, which is status quo from FY14.

Environment First Fund	Estimated FY 2014	Governor FY 2015	HF 2458 FY 2015	House vs. FY 2014	House vs. Governor
DALS – Wetland Incentive Program (CREP)	1,000,000	1,000,000	1,000,000	0	0
DALS – Watershed Protection Program	900,000	900,000	900,000	0	0
DALS – Farm Demonstration Program	625,000	625,000	625,000	0	0
DALS – Agricultural Drainage Wells	0	550,000	550,000	550,000	0
DALS – Soil Conservation Cost Share*	6,650,000	6,650,000	7,375,000	725,000	725,000
DALS – Conservation Reserve Program (CRP)	1,000,000	1,000,000	1,000,000	0	0
DALS – Loess Hills Conservation Authority	525,000	450,000	800,000	275,000	350,000
Soil and Water Conservation Fund	2,550,000	2,550,000	2,550,000	0	0
Silos and Smoke Stacks	0	0	200,000	200,000	200,000
Total Agriculture and Land Stewardship	13,250,000	13,725,000	15,000,000	1,750,000	1,275,000
REAP	16,000,000	16,000,000	16,000,000	0	0
DNR – Vol. Water Quality (Keepers of the Land)	100,000	100,000	100,000	0	0
DNR – State Park Maintenance and Operations	6,360,000	5,885,000	4,610,000	(1,750,000)	(1,275,000)
DNR – Geographic Information System	195,000	195,000	195,000	0	0
DNR – Water Quality Monitoring Stations	2,955,000	2,955,000	2,955,000	0	0
DNR – Water Quality Protection Fund	500,000	500,000	500,000	0	0
DNR – Regulation of Animal Feeding Operations	1,320,000	1,320,000	1,320,000	0	0
DNR – Air Monitoring Equipment	425,000	425,000	425,000	0	0
DNR – Water Quantity Program	495,000	495,000	495,000	0	0
Geological and Water Survey	200,000	200,000	200,000	0	0
Keep Iowa Beautiful	200,000	200,000	200,000	0	0
Total Department of Natural Resources	28,750,000	28,275,000	27,000,000	(1,750,000)	(1,275,000)
Total Environment First Fund	42,000,000	42,000,000	42,000,000	0	0

POLICY PROPOSALS

Eminent Domain

- In recent years, a 900-acre reservoir has been proposed in Clarke County, IA. The county claims that the lake is necessary to provide drinking water to the city of Osceola and the current lake is almost at full capacity. Much of the land that the county is proposing to condemn to create the lake is owned by long-established farmers. The county claims the lake is a permissible “public use.” The county asserts the lake is needed to encourage economic development and residential home building in the area. Local land owners that would be condemned for the lake claim that a 300-acre reservoir would be sufficient for the county’s drinking water needs. Controversy has surrounded the project regarding the recreational uses of the lake. At one point, the proposed lake included a triple lane boat ramp with 75 parking spaces, 3 single lane boat ramps with 20 parking spaces, 32 RV campsites with full water and electric service and 80 pull-through campsites with electrical service, 10 camping cabins, a multi-use trail, and 300 feet of beach with picnic facilities and a bath house.
- Changes the definition of “reasonable and necessary” according to surface water capacity needs to drinking water capacity needs. The data used by the engineers to determine drinking water capacity needs must be approved by a committee appointed by the affected property owners that

includes at least 50% of the owners affected by the proposed condemnation action. The committee must hold at least one public meeting relating to data and information before approval and submission of the data to the engineers. A second review or analysis of the drinking water capacity needs may be requested by any landowner affected by the proposed condemnation action with the engineer that conducts the second analysis chosen by the landowner committee. The acquiring agency is responsible for all fees and expenses of the second review. Requires clear and convincing evidence that no other prudent and feasible alternative is available for the drinking water source. Current law only requires that a review of prudent and feasible alternatives be completed without the clear and convincing standard of review. If private property is to be condemned for the creation of a lake, the plans, analyses, and applications for funding and other planning activities cannot include or provide for recreational purposes of the lake.

- If construction on a lake project has not begun for the purposes stated in eminent domain procedure or the agency has not disposed of the property within 2 years, the agency has 60 days to adopt a resolution offering the property for sale to the prior owner at a price as provided for in Section 6B.56 (Disposition of Condemned Property). The offer must be mailed by certified mail to the prior property owner. The prior owner has 180 days after the offer is mailed to purchase the property. If the acquiring agency does not adopt a resolution offering the property to the prior owner within 60 days, the prior owner may petition the acquiring agency to offer the property for sale to the prior owner. Within 60 days after the receipt of a petition, the acquiring agency must adopt a resolution offering the property for sale to the prior owner. If the acquiring agency does not adopt the resolution in response to the petition within 60 days, the agency is deemed to have offered the property for sale to the prior owner. The acquiring agency must give written notice to the owner of the right to purchase the property under this section at the time damages are paid to the owner.
- Removes the ability of the DNR to condemn lands or waters for purposes including public hunting, fishing, and trapping grounds, fish hatcheries and nurseries, and to exchange lands or waters necessary to the work of the department, among other enumerated purposes. Does not extend the authority to acquire real property by eminent domain to the Natural Resources Commission for the planning, acquisition, or development of recreational projects.
- Prohibits the DNR from exercising eminent domain power in acquiring lands using REAP Open Spaces funding.

Loess Hills Referendum

- Prohibits the Loess Hills Development and Conservation Authority from having an agreement with any government entity that allows the authority to oversee or manage any public or private lands unless approved by a referendum of landowners within 25 miles of the land that the authority proposes to oversee or manage.

Miscellaneous Policy Changes

- Extends the time the DNR may use Groundwater Protection Funding for the Manure Certification Program for 1 year.
- Clarifies that information collected as part of the Water Quality Initiative is confidential.

AMENDMENT SUMMARY

H-8155 by Watts

Prohibits an electricity transmission line franchise from being granted or extended if the franchise involves construction or extension of a high voltage direct current transmission line over 300 miles long and extending across a state boundary if more than 25% of the real property needed for the right-of-way easement or property interest must be acquired by eminent domain.

H-8156 by Wood

Provides an additional \$11.8 million from the general fund for FY 15 for Agricultural Drainage Well closures.

H-8157 by Bearinger

Provides an additional \$18.5 million from the general fund for FY 15 for Soil and Conservation Cost Share.

H-8159 by Ruff

Provides \$500,000 in new funding for field and stream buffers from the Environment First Fund. Decreases the EFF funding to the Loess Hills by \$500,000 overall.

H-8165 by Wood

Separates registration requirements for residents and nonresidents for snowmobiles. A new special farm registration for snowmobiles is also created that is exempt from registration, but is titled. The amendment also simplifies the process of registering an antique snowmobile, changes nonresident registrations to mitigate the risk of dual titles, removes nonresident decal display requirements, simplifies requirements for snowmobile riders that are under 16 years old, streamlines safety education age regulations, and makes technical changes.

H-8166 by Thede

Provides \$40 million in new funding from the general fund for FY 15 for the Unsewered Community Revolving Loan Fund.

H-8170 by Ourth

Provides a total of \$20 million for the Resources Enhancement and Protection Fund (REAP) from the Environment First Fund and provides an additional \$5 million for REAP from the FY 15 general fund (for a total of \$25 million for REAP in FY 2015).

H-8171 by Dawson

Requires IDALS to expand the Senior Farmers Market Nutrition Program to include all eligible participants, including individuals under 60 years old living in nursing homes or assisted living centers.

H-8176 by Drake

Removes \$150,000 in administration and a FTE for the Water Quality Initiative.

H-8177 by Isenhardt

Requires \$5,000 of the FY 15 general fund appropriation for the DNR to be used to conduct a food waste study. The Department must review methods to reducing and recovering excess food items generated on a large scale by a business, state agency, or local government. The DNR must prepare a

report that identifies barriers to business, agencies and local governments to reducing and recovering excess food items and make recommendations for how the state may provide better resources and strategies by January 1, 2015.

H-8178 by Isenhardt

Requires \$5,000 of the FY 15 Environment First Fund appropriation to the Geological and Water Survey at the DNR to be used for a study of silica sand. The study must include the environmental and other impacts of silica sand mining, processing, storage, and transportation. The report is due by December 1, 2014.

H-8182 by Watts

Clarifies eminent domain language included in the bill as drafted.

H-8184 by Drake

Strikes the Loess Hills Development referendum language and prevents the Loess Hills Development and Conservation Authority or the Loess Hills Alliance from entering into any agreement with a local, state, or federal government if the agreement regulates the actions of a private landowner or the use of a private landowner's land unless the landowner volunteers.

H-8196 by Hanson

Clarifies that the Department of Natural Resources has the authority to regulate land that has been a whitetail preserve that has been quarantined because of an infectious or contagious disease.

H-8205 by Hanson

Clarifies Amendment H-8196 regarding regulation of whitetail preserve lands that have been quarantined, and adds additional sponsors.

H-8206 by Gaskill

Provides \$250,000 to the Southern Iowa Development and Conservation Fund from the Environment First Fund.