

MINUTES**HOUSE AND SENATE INTERIM COMMITTEES ON
AGRICULTURE, FORESTRY & ECONOMIC DEVELOPMENT**

May 14, 2013

The House and Senate Interim Committees on Agriculture, Forestry & Economic Development met on Tuesday, May 14, 2013, 1:30 p.m., at the Hot Springs Convention Center, 400 Convention Boulevard in Hot Springs, Arkansas.

House committee members present: Representatives Nate Steel, Vice Chair; Stephen Meeks, Homer Lenderman, Bob Ballinger, David Branscum, James Ratliff, Tommy Thompson, Charlotte Douglas, Dan Douglas, John T. Vines (non-voting), Betty Overbey (non-voting), and Scott Baltz, (non-voting).

Senate committee members present: Senators Ronald Caldwell, Alan Clark, Jonathan Dismang, and Stephanie Flowers.

Other legislators present: Representatives Duncan Baird, Nate Bell, John Burris, Harold Copenhaver, Bruce Cozart, Jody Dickinson, Jim Dotson, David Fielding, Fonda Hawthorne, Mary Hickerson, Monte Hodges, Mike Holcomb, Douglas House, John Hutchison, Fredrick Love, Mark, McElroy, Chris Richey, and Jeff Wardlaw; Senators Bill Sample, and Eddie Joe Williams.

Representative Steel called the meeting to order.

WELCOMING REMARKS

Representative Steel welcomed committee members and guests to the meeting.

FISCAL UPDATE [EXHIBIT C]

Mr. Richard Wilson, Assistant Director, Bureau of Legislative Research, presented a report entitled, "89th General Assembly 2013 Regular Session Tax Reductions." Mr. Wilson reported that bills listed in the report affect general revenue and special revenue functions. The special revenue function of the timberlands tax increase did not affect general revenue. Mr. Wilson stated that we will see the full effect of the \$161.24 million general state revenue total in tax cuts by fiscal year 2016.

The new general revenue forecast revision will be discussed this Thursday, May 16th, at the Joint Committee on Economic and Tax Policy committee meeting. According to Mr. Wilson, the budget for fiscal year 2013 and fiscal year 2014 will be covered assuming there is no economic collapse. He stated that the economy is expected to continue to improve or at least hold.

In response to a question by Representative Meeks regarding an estimate of the total surplus for the year, Mr. Wilson replied that the surplus will be pretty stout, noting that \$330 million is committed for General Improvement Fund (GIF) purposes and amounts raised above this will be considered unallocated General Improvement Funds. According to Mr. Wilson, the GIF could increase to \$450 million.

REVIEW OF PROPOSED RULES AND REGULATIONS FOR THE 2013 ARKANSAS BOLL WEEVIL ERADICATION PROGRAM [EXHIBIT D]

Mr. Darryl Little, Director, Arkansas State Plant Board, gave a brief overview of the summary statement entitled, “2013 Boll Weevil Eradication-Regulations on Plant Diseases and Pests.” He reported that the Arkansas Boll Weevil and Suppression Act requires a review by the committee when there are regulation changes. The current regulations have been in place for approximately 14 years. According to Mr. Little, the only proposed rule change will be to decrease the assessment fee for the Northeast Delta zone from \$14.00 to \$8.00 per acre in 2013. This reduction will make the assessment equal to all other zones in the state with the exception of the SW zone which will be at \$5.00 as established by the referendum. In response to a question from Representative Meeks regarding the program’s success, Mr. Little replied that the program has been successful, noting that a boll weevil has not been caught in 4 years.

In response to a question by Representative Lenderman regarding whether or not there will be a drastic reduction in the number of cotton acres this year, Mr. Little replied that 360 thousand acres of cotton had been planted last year, noting that corn is probably the crop that is affected first by cool weather.

Without objection, the proposed rules and regulations stand reviewed by the Committee.

Mr. John Andrews, Director, Arkansas Department of Rural Services (ADRS), expressed his appreciation to committee members for hosting the committees at the Arkansas Rural Development Conference. He encouraged committee members to contact him or staff members should they have any questions or projects to discuss.

Mr. Andrews gave a brief update of the Rural Community Development Grant Program (RCDGP). He reported that RCDGP has \$500,000 for fiscal year 2013; and \$1.42 million in funding requests. Applicants from incorporated towns of less than 3,000 in population and unincorporated rural areas are eligible for up to \$15,000 in matching funds under this program. The program match is 50/50. According to Mr. Andrews, 51 communities received funding; 66% were fire grants; and 34% were community grants.

The Rural Services Block Grant Program provide funds for new construction or renovation of community centers, fire stations, or multi-purpose buildings, and the purchase of fire trucks, etc. Applicants are eligible for up to \$75,000 with a 10% match. Grants are available to incorporated towns and rural communities with a population of less than 3,000. The community population must be at least 51% low to moderate income. Mr. Andrews advised committee members to encourage city leaders with the eligible population to apply for the grant or contact him or his staff if they need assistance with the application process.

Mr. Andrews reported that the County Fair Building Grant Program receives \$16,000 per year. County fairs located in counties with a population of less than 55,000 are eligible for up to \$4,000 per year with a 50% percent match. ADRS received \$5.2 million from the general improvement fund.

With no further business, the committee adjourned at 2:05p.m.