

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 4th Meeting of the 2023 Interim

September 21, 2023

Call to Order and Roll Call

The 4th meeting of the Interim Joint Committee on Natural Resources and Energy was held on September 21, 2023, at 1:00 PM in Room 154 of the Capitol Annex. Senator Brandon Smith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jim Gooch Jr. Co-Chair; Senator Brandon Smith Co-Chair; Senators Cassie Chambers Armstrong, John Schickel, Adrienne Southworth, Johnnie Turner, Robin L. Webb, Phillip Wheeler, and Gex Williams; Representatives Jared Bauman, John Blanton, Adam Bowling, Randy Bridges, Lindsey Burke, Myron Dossett, Ryan Dotson, Patrick Flannery, Chris Fugate, Al Gentry, Daniel Grossberg, DJ Johnson, Suzanne Miles, Tom Smith, Bill Wesley, and Richard White.

Guests: Rich Storm, Commissioner, Department of Fish and Wildlife Resources; Heather Jeffs, Director of External Affairs, The Nature Conservancy; Will Bowling, Conservation Program Specialist, Rocky Mountain Elk Foundation; and Bob Bauer, Executive Director, Kentucky Forest Industries Association.

LRC Staff: Stefan Kasacavage, Kayla Carroway, Tanya Monsanto, Rachel Hartley, and Emily Wiley.

Approval of minutes for the meeting of August 3, 2023

A motion to approve the minutes was made by Representative Dotson and seconded by Representative Bowling. The minutes were approved by voice vote.

Update on the acquisition of conservation easements made pursuant to 2023 Regular Session SB 241

Heather Jeffs stated that the General Assembly's work on 2023 Regular Session Senate Bill 241 has allowed for the creation of a permanent conservation, recreation, and public access easement on more than 54,000 acres in Bell, Knox, and Leslie Counties. The Nature Conservancy's Cumberland Forest project spans 253,000 acres across Kentucky, Tennessee, and Virginia, and is one of the largest land deals in the history of the organization. The Kentucky portion of this project is in the heart of the elk zone in Kentucky, which is home to the largest elk herd east of the Rocky Mountains.

In 2022, the Kentucky Department of Fish and Wildlife Resources (KDFWR) identified federal funds to acquire the easement, but there was a 25 percent non-federal match required. In the 2022 Regular Session, the Kentucky General Assembly appropriated \$3.875 million to leverage the federal funds. The Nature Conservancy has worked in strong partnership with KDFWR and the Rocky Mountain Elk Foundation since that time to complete the acquisition.

KDFWR acquired the easement under the authority provided by the passage of 2023 RS SB 241. The department submitted an amended grant request for federal Pittman-Robertson funding and selected a surveying firm. In the summer of 2023, both parties signed the land contract, completed title work, and engaged a closing attorney to establish an escrow account. All parties are committed to closing the land deal by the end of the calendar year and are optimistic that it could be completed by November.

Will Bowling stated that the mission of the Rocky Mountain Elk Foundation is to ensure the future protection of elk, other wildlife, their habitat, and our hunting heritage. Mr. Bowling called the land deal a historic conservation achievement, which was only made possible with the support of the Kentucky General Assembly. The permanent conservation easement will improve quality of life for the surrounding communities, support outdoor recreation tourism, and provide for sustainable management of the natural resources on the easement, all of which will promote economic development in the area. The KDFWR will acquire the permanent conservation easement and the property will continue to be classified as privately-owned. As a privately-owned property, the easement will continue to be taxed, which will support local communities with revenue from property taxes.

Commissioner Rich Storm stated that the land deal is a model for the future of Kentucky and thanked Senator Webb for enabling the acquisition by sponsoring 2023 RS SB 241. The KDFWR is 25 years into an elk restoration program. There is limited public access to hunting grounds in Eastern Kentucky, and this conservation easement will provide 54,000 acres of a continuous track of huntable lands for elk, deer, turkey, and other species to address that problem. Kentucky will provide five percent publicly-owned land and will continue to lose more natural resources with private property expansion.

Chair Smith congratulated presenters on the closing of the land deal and stated that the project is a historic win for Kentucky. The project was almost lost three times, and Chair Smith commended Commissioner Storm for his continued efforts.

In response to Representative Gentry, Commissioner Storm stated that there is room for growth for the Kentucky elk herd. The KDFWR is happy with the 25-year population growth, and there will be future opportunities to allow for more elk hunting tags.

In response to Representative Bowling, Commissioner Storm stated that the easement is open through a hunter access agreement.

Senator Webb thanked the partners in the easement deal and former Tennessee State Senator Mike Bell for their efforts.

In response to Senator Southworth, Commissioner Storm stated that the Kentucky Finance Cabinet prevented the progress of projects by KDFWR due to a pattern of unresponsiveness to requests for project approvals.

Senator Webb stated that she has experienced lack of communication with the Kentucky Finance Cabinet.

Representative Blanton suggested that the KDFWR consider primitive weapon hunting when developing plans for the easement.

Senator Turner commended the leadership of members of the General Assembly who supported 2023 RS SB 241 to circumvent issues that had arisen during the procurement process.

In response to Representative Smith, Ms. Jeffs stated that conversations are still open regarding utilization of the easement. Commissioner Storm confirmed that the opportunity for off-road vehicle usage on the property is being considered.

Update from the Kentucky Forest Products Industry

Bob Bauer stated that the Kentucky Forest Industries Association (KFIA) represents a wide range of forestry industry stakeholders including sawmills, loggers, and forest land owners. The forestry industry employs over 27,000 people with over \$13 billion in economic contributions. There are more loggers entering the professional field as a result of legislative efforts and state programs. The KFIA and its partners recently received funding to educate young people on forestry issues and provide information on different employment opportunities in the industry.

There has been an increasing demand for white oak as a result of the success and growth of the bourbon industry. The KFIA has implemented measures to educate forest managers, land owners, and loggers on the best management practices of growing white oak. The price being paid for white oak has tripled in the last five years.

Mr. Bauer stated that there are still concerns in the forest industry. In Eastern Kentucky, there is a concern about the demand for lower-grade wood, as nearby papermills shut down. Stormwater renewal costs for mills may triple. If the problems are not mitigated, Mr. Bauer will return during the 2024 Regular Session to speak on the issue.

Adjournment