MINUTES

MONTANA SENATE
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By **CHAIRMAN LORENTS GROSFIELD**, on April 2, 1997, at 5:05 p.m., in Room 405.

ROLL CALL

Members Present:

Sen. Lorents Grosfield, Chairman (R)
Sen. William S. Crismore, Vice Chairman (R)
Sen. Vivian M. Brooke (D)
Sen. Mack Cole (R)
Sen. Thomas F. Keating (R)
Sen. Dale Mahlum (R)
Sen. Bea McCarthy (D)
Sen. Ken Miller (R)
Sen. Mike Taylor (R)
Sen. Fred R. Van Valkenburg (D)

Members Excused: None

Members Absent: None

Staff Present: Larry Mitchell, Legislative Services Division
Gayle Hayley, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: None.
Executive Action: HB 483, HB 293

EXECUTIVE ACTION ON HB 483

Amendments: **SEN. FRED VAN VALKENBURG** asked **CHAIRMAN LORENTS GROSFIELD** if he had discussed the amendment with the House and was told he had visited with the sponsor of the bill as well as the sponsor of the amendment, and his sense from both was there would not be a "war with the House" if the amendment passed. He said HB 483 was an important bill and should be passed in some fashion; his sense was the worst that could happen would be it would go to a Conference Committee.

SEN. VAN VALKENBURG asked if the amendment would be different from what was offered last week. **CHAIRMAN GROSFIELD** referred to #5 of Amendments hb048304.alm **(EXHIBIT 1)** and said it was slightly different.

Motion/Vote: **SEN. WILLIAM CRISMORE MOVED DO PASS ON AMENDMENT hb048304.alm. Motion CARRIED UNANIMOUSLY 8-0.**

Motion: **SEN. WILLIAM CRISMORE MOVED HB 483 AS AMENDED BE CONCURRED IN.**

Discussion: **SEN. VAN VALKENBURG** said it was his expectation, based on the amendment which was just adopted, the Department of Natural Resources (DNRC) was going to be contracting out the technical assistance issue to the extent required in the amendment; there was a significant likelihood a successful bidder on the contract for the RFP would be someone the small communities were comfortable with and who would be able to satisfy their needs, regardless of who the contractor was. He stressed he was not saying who the contractor should be, but the communities were in a position of getting someone they were comfortable with.

CHAIRMAN LORENTS GROSFIELD said he didn't think they were presupposing there would be one contract statewide because the Department of Environmental Quality (DEQ) had the ability to choose the contractor(s) to develop the work plan. He said the function of this Committee was advisory in its capacity; however, there had been concern the local entities would be considered.

Vote: **Motion HB 483 AS AMENDED BE CONCURRED IN CARRIED UNANIMOUSLY 8-0.**

{Tape: 1; Side: A; Approx. Time Count: 5:20 p.m.}

DISCUSSION ON HB 293

Motion: **SEN. FRED VAN VALKENBURG MOVED DO PASS ON AMENDMENTS hb029313.alm (EXHIBIT 2).**

Discussion: **SEN. VAN VALKENBURG** said his amendments were intended to respond to the issues raised by Mr. Wardell regarding primacy. He said if there were going to be environmental self-audits, the State of Montana should be assured of retaining primacy over the enforcement of its laws which had been delegated to its enforcement by the Environmental Protection Agency (EPA); also, if there were additional appropriate future laws which would could be delegated to the state, **???** the state would have laws on the books which would comply with EPA enforcement policy. He then explained the Amendments in **(EXHIBIT 2)**, and said they were somewhat culled in the expectation the Amendments hb029301.ate **(EXHIBIT 3)** from the Governor's Office would be adopted. He expressed support for both sets of amendments, explaining the Governor's dealt with some issues raised by EPA; however, neither he nor lobbyists of the environmental community thought they went far enough in dealing with some nuances of the EPA requirements. **SEN. VAN VALKENBURG** said environmental audits were a good thing and entities which were in violation should be encouraged to come forward and solve

the problems without significant fear of penalty; however, it had to be ensured that state primacy in the enforcement of the laws wasn't lost.

Larry Mitchell explained #3,#4,#5 & #6 of Amendments hb029313.alm were intended to mesh with the Governor's Amendments **(EXHIBIT 3)** #3,#4,#5 & #6. He said if it went as a stand-alone, he needed to do some cleanup editing on the Van Valkenburg **(EXHIBIT 2)** Amendments.

CHAIRMAN GROSFIELD asked if any of the amendments were exclusive or did they all mesh together. **Larry Mitchell** said they didn't conflict.

Anne Hedges, Montana Environmental Information Center, explained Amendments hb029313.alm **(EXHIBIT 2)** as follows: (#2) The first sentence precluded rolling audits; in other words, inspectors could not show up to say they had an ongoing audit which had a list of violations. There had to be both a beginning and an ending date and it had to be defined; also, it had to be an intentional activity on the part of the company. The second sentence meant when the audit was required, the law didn't apply; (#3) The violation disclosure time changed from 30 days to 15 days because if there was a problem or if damage could occur, 30 days could be too long. The Department had to be notified immediately; therefore, the burden of determination was on the Department. If the burden of determination was on the entity, the right call would not always be made; (#4) The Department should have the final say on the compliance and finalizing schedule; in other words, the bill didn't address the problem of what would happen if the two parties couldn't negotiate such a schedule; (#5) Currently, the bill required no remediation of the damage caused. The Department believed it had the authority under this, i.e. if it thought it had the authority, the bill might as well be specific. Remediation was important because the public should have the security and the Department should have the wording to guarantee remediation could be required of an entity if there was a problem; (#6) "Takes steps" wasn't quite strong enough; therefore, the insertion language; (#7) The Department couldn't access the information it needed; it was important for the Department to be able to get the information it needed through asking questions of the entity regarding the violation, damages, etc. Even though the Department said the bill already granted them that ability, the amendment clarified it for the public, the Department and the regulated entity; (#8) The Department could request certain information it thought necessary in order to get certain information to determine if there was a violation; therefore, it should have the ability to do so without having to go through the whole discovery process; (#9) The concern was for people or companies who were not acting in good faith; (#10) EPA concerns of that type of activities wouldn't fall under HB 293; (#11-#12) If a company continually repeated the violation law, there was a limit as to when the audit policy could no longer be used; in other words, it

tightened up the repeat violator language; (#13) This one conflicted with the Governor's because it (Governor's) took the bill back to the original language which meant nothing. The federal government would never say environmental audit was a problem for primacies; however, it would say what was done with the audit after being handed to the state could be a problem. The language clarified the primacy issue; (#14) Editing change; (#15) EPA language clarified how the law could not be misused, i.e. whistleblower who would tell on a person.

{Tape: 1; Side: A; Approx. Time Count: 5:40 p.m.}

John Wardell, Environmental Protection Agency (EPA), said they had not had a chance to look at the amendments or see how they inserted into the bill; however, what was presented cleared up some concerns which were raised in their letter, but he wanted the opportunity to review them case by case.

SEN. VIVIAN BROOKE referred to Amendment #2 of **(EXHIBIT 2)** and asked who was qualified to be an auditor. **Larry Mitchell** said it was someone who could be the owner or operator of the regulated entity itself and could do an internal assessment of his or her own facility to see whether there was any violation of environmental rules or permits; also, it could be done through a contracted service, i.e. consulting firms were brought in to assist. He said it was not really clearly defined, though it talked about an agent acting on his behalf.

SEN. BROOKE asked **John Wardell** the same question and was told they had no requirements; the entities could be either the company itself or a contracted service, which was used mostly by larger companies because they needed an independent party to look at it.

SEN. KEN MILLER asked about #12 of **(EXHIBIT 2)** and said a repeat of the last three years would indicate sort of a pattern. He wondered why language was needed which talked about a repeat in the last five years. **SEN. FRED VAN VALKENBURG** said one of the big differences was it didn't necessarily have to be at the same location with respect to the five-year issue because it talked about the pattern of a facility's parent organization; therefore, a parent organization could have sites all over the country, and there might not be the same regulations as here in Montana.

SEN. MILLER asked what a pattern would be -- same type of violation or any violation -- because some companies owned many operations and could have minute-types of things going on; however, it wouldn't necessarily mean a pattern or they weren't responsible. **SEN. VAN VALKENBURG** said a pattern was a significant number of similar violations which would be up to the Department of Environmental Quality (DEQ) to interpret and eventually write rules to define it, if need be.

CHAIRMAN LORENTS GROSFIELD referred to Amendments #11 & #12 and asked if they were from EPA's recommendations. **John Wardell** said the wording of the language was directly from the EPA policy.

CHAIRMAN GROSFIELD asked how many it took to be a pattern. **Mr. Wardell** said it wasn't defined because they wanted to allow some discretion to be left to EPA regional offices. He said a parent organization could apply to the same company in different states or several facilities owned by the same company in the same state. He said the variety of programs administered under the Clean Water Act could be looked at to determine if it was being impacted by a variety of violations over a number of years. **Mr. Wardell** stated the design to allow discretion troubled some people because it was left to the agency itself; however, three, five, seven or two was considered and some people felt the severity of the violation had to be looked at. He summarized by saying flexibility gave comfort to some folks but discomfort to others.

CHAIRMAN GROSFIELD asked about the pattern of federal, state or local violations and wondered whether the agencies said they had to be similar. **Mr. Wardell** said if one facility submitted a significant violation in each of several areas over a period of several years, his agency would have concern and they would respond in one fashion. However, if the violations were minor and occurred in a particular area, the agency would focus on that. He said one major concern of theirs was the impact on the environment and public health because it was one way to calculate penalties and seek redress.

{Tape: 1; Side: B; Approx. Time Count: 5:51 p.m.}

SEN. GROSFIELD suggested there were three primacy issues: (1) State had primacy in some areas; (2) State had primacy pending in some areas; (3) State had potential primacy in some areas. He said the letter from the EPA wasn't very specific as to which area it was talking about. **John Wardell** said the letter was specific in the area of future delegations and in conduct of the state's enforcement program; in other words, adoption of the bill would cause them to review their decisions in those areas and scrutinize carefully the conduct of the state's enforcement program. He referred to delegations already given the Department and said they were silent because they wanted to take a look at what ultimately came from the legislature. They wanted to decide the pros and cons of their ability to take back some of the programs, i.e. should the state be given any more delegation, and should state enforcement actions be used on the delegated programs. He said EPA would be more involved in the enforcement side of the delegated programs. He said in other states, EPA was asked to withdraw its primacy where the laws presently existed and it appeared EPA had an obligation to go through the process.

CHAIRMAN GROSFIELD asked if Region 8 experienced much use in environmental audits by people in the regulated community. **Mr.**

Wardell said they had because there was an environmental audit policy on the books which was specifically designed because EPA encouraged the use of self-audits. He said penalties had been mitigated and agreements reached in Region 8; therefore, it had done what it was designed to do, i.e. encouraged companies to do those sorts of things, take actions, uncover problems and allow companies to correct them, and forgive penalties. **Mr. Wardell** said it was their position when the company had reached an economic benefit, part of it should be repaid because the competition was then kept on a level playing field.

CHAIRMAN GROSFIELD asked what was meant by repayment. **John Wardell** said it was penalties; however, sometimes, instead of returning the money to the federal treasury, they allowed companies to develop supplemental and environmental projects in lieu of the penalties. He said the companies undertook those projects to do things they weren't otherwise required to do from a regulatory perspective; however, they did help protect the environment. He illustrated by saying ASARCO in East Helena bought the community a street sweeper instead of paying the penalty.

CHAIRMAN GROSFIELD asked **Jerome Anderson, Shell Western Exploration and Production,** to comment on the amendments. **Mr. Anderson** said he was an ad hoc representative of a group of people who supported this legislation in its original form, and to some extent, in its amended form. He said if the purpose of the bill was to encourage self audits, many of the amendments discouraged their use because the nature of the self-incriminatory provisions of some of the amendments would encourage him as an attorney to never recommend the pattern of self-audit to his clients. He said HB 293 was extremely important legislation to the industrial community, but he had not seen the amendments until now so it wasn't possible for them to tell the Committee what the ultimate effect of them would be. He referred to: (1) #2 of Amendments hb029313.alm **(EXHIBIT 2)** -- he didn't know what "discrete activity" meant but didn't think it was necessary; (2) #3 -- "immediately" was not defined and presented a difficult hurdle to people in the self-audit situation; there should be a specific time frame; (3) #4 -- prevented negotiation regarding the compliance report prepared by the Department. The purpose was not to prevent negotiation but to prevent a regulated entity from talking to the Department about what went into the compliance report. The Department didn't have to accept what the regulated entity had to say, but the entity should have the opportunity to say something to the Department about what went into the compliance report; (4) #7 -- required the regulated entity to incriminate itself, particularly because exemption from criminal action was removed from the bill; the entity performing the self-audit would be required to deliver everything on the table to the Department who would bring the criminal activity against it and it removed the Constitutional protection against self-incrimination.

Mr. Anderson said he was having trouble being amiable because someone was dictating to them what sort of legislation they would have. He said #12 & #13 gave the federal government, EPA, the total power to determine whether or not the statute would be used; he was of the opinion if primacy was going to be used, Montana had to back away from these amendments because they would give EPA authority to repeal the statute by giving notice to the Governor or someone reviewing primacy. He said the EPA was an independent entity and if the EPA wanted this to be handled by the federal government, it should send it to Congress for passage. **Mr. Anderson** said #15 wasn't needed in HB 293 and felt it was fair to say if the bill got doctored up so they were in a position of opening themselves up to extreme liability through the use of a self-audit program, that program would not be used in Montana.

CHAIRMAN GROSFIELD asked for comment on #5. **Mr. Anderson** said if harm was created by a violation, everybody would expect remediation to take place. He didn't know the definition of "promptly"; the Department now had the authority to require remediations so he didn't know why it had to be in the bill.

SEN. VIVIAN BROOKE commented "promptly" in #5 was already in the bill on Line 7, prior to the recommended amendment.

SEN. BEA MCCARTHY suggested, because of the enormity of the amendments and because the Committee had not had an adequate opportunity to review them, the action be deferred until Friday in order to let the parties involved at least go over them.

CHAIRMAN GROSFIELD agreed the amendments were very substantial and action may have to be postponed; however, there could be a deadline problem because it had to be read over the rostrum by Friday.

SEN. FRED VAN VALKENBURG commented the Committee was given amendments at the time of the hearing, and most of them were incorporated into **(EXHIBIT 2)**.

SEN. BROOKE asked if the Governor's amendments **(EXHIBIT 3)** were offered in the House and was told they weren't. She wondered if the Committee was up against a deadline to review those amendments which had plenty of time to be reviewed by the House. **CHAIRMAN GROSFIELD** said in the hearing testimony, the Governor offered one amendment; however, that was before the letter from EPA and other letters from the National County Attorneys Association. He understood the Governor's amendments were in response to those issues which came up after the hearing.

Mark Simonich, DEQ, explained the Governor's Amendments hb029301.ate **(EXHIBIT 3)** as follows: (1) #1 provided the Department with the ability to undertake prosecution for criminal actions they deemed necessary, i.e. apparently the bill prohibited even criminal prosecution; (2) #2 was basically the

same thing; (3) #3, #4, #5 were just editing; (4) #6 spoke to the economic benefit portion and prohibited the Department from collecting any kind of penalties if the audit was determined to provide the immunity to the entity. This would amend back in the ability for the Department to collect the economic benefit the violator would have accrued as a result of that entity; (5) #7 was related to the form filled out by the entity doing the audit. They wanted to ensure the form wasn't so exclusive the Department wouldn't be able to gather the necessary, relative information for the specific violation; also, as the form was developed, they wanted to ensure if the format for the specific additional information wasn't included in this particular legislation, they would be able to do it within the form; (6) #8 allowed the request for the audit to be provided directly to the Department; (7) #9 provided the ability to collect the information needed which was relative to the particular violation in order to determine the extent of the damage and what it would take to correct it; (8) #10 was editing; (9) #11 added "gross negligence" because the bill currently indicated when a self-audit was done and violations were disclosed, the entity would receive immunity from prosecution as long as the activity was not purposeful or knowing on the part of the entity. This added in if the activity was a result of gross negligence, they wouldn't allow immunity to be granted to the self-audit; (10) #12 said if a specific violation had occurred previously, within three years; therefore, it was tightened up more than current language indicated; (11) #13 could be explained by **Mr. Mitchell**; (12) #14 added back in the idea that immunity would not be given if actual substantial damage had occurred to either human health or the environment, or if there was a threat of that substantial damage.

Larry Mitchell explained #13 by saying if the issue of primacy came up between the state and federal government, there would be some way for the state to retain primacy and obtain additional delegation of federal programs by begging off the self-audit provision. He said it could be said three ways: (1) A federal agency would never prohibit the use of environmental audits because they were a good thing; however, the issue was if the federal agency would specifically prohibit this type of act as a condition of primacy. He thought the amendment was a bit weak and didn't really say what it was intended to; (2) The existing bill adopted in the House tried to elevate the description of when primacy would be threatened from a federal agency simply saying one was threatened, to tying it to a specific federal law or formally adopted federal agency rule which said, for example, that if a state adopted an act which statutorily prohibited criminal penalties, primacy would be threatened; (3) **SEN. VAN VALKENBURG'S** amendment #13 tried to get very specific and got away from the formally adopted federal law or agency rule but left it to a federal agency's determination; using this approach, delegation could be threatened because Montana law would no longer be equivalent to the federal requirements or policy and this could prevent the state from assuming additional primacy act in certain cases.

CHAIRMAN GROSFIELD asked if the amendments from the Governor's office came as a package or could they be dealt with in a "pick-and-choose" fashion. **Mr. Simonich** said the Governor requested these amendments as a package.

SEN. GROSFIELD comments that HB 293 without the amendments would be in jeopardy of a veto were affirmed by **Mr. Simonich.**

SEN. BEA MCCARTHY asked if the Governor had a copy of the other amendments offered at the hearing. **Mark Simonich** said he did; in fact, he had reviewed a great deal of information between the hearing and today and that was why many of them came forward. The Governor had continued correspondence as well with MEIC relative to their suggestions for amendments to the bill. He said he didn't know what the Governor would specifically say about the other amendments offered; however, the package he sent forward were the ones the Governor insisted on being inserted into HB 293.

SEN. MACK COLE asked **Mr. Simonich** if there were any he felt more strongly about and was told the Governor hadn't indicated a priority of one over the other; in fact, no priorities were given.

SEN. VIVIAN BROOKE wondered why the Governor wanted to return to the language when what was done with the information from the environmental audit determined the stance with the federal agencies. **Mr. Simonich** said he was out of the office when that amendment was discussed, so he hadn't had direct contact with the Governor's Office on it; therefore, he was not privy to the discussion.

Anne Hedges said #13 in **(EXHIBIT 2)** had not been seen by the Governor's Office; in fact, she had seen a draft of the Governor's amendments in the morning and they included similar language. However, the draft she saw in the afternoon didn't contain them because of problems with the language. She said the EPA office had seen the amendment. **Ms. Hedges** expressed concern over the state obtaining primacy for programs it currently didn't have primacy for, not only in the current delegations, but in the future as well.

{Tape: 1; Side: B; Approx. Time Count: 6:30 p.m.}

Anne Hedges said all the Governor's amendments were critical and needed to be addressed by the Committee. She said there was an assumption in the amendments the Departments had certain authority which she wasn't positive they had. **SEN. VAN VALKENBURG'S** amendments clarified what the Department already thought its authority was. She referred to: (1) #7 of the Governor's amendments **(EXHIBIT 3)** and said if the Department felt "includes" meant "included but not limited to", the language should say that -- she wasn't sure "includes" got them where they intended to go. Usual language was "including but not limited

to"; (2) #12 was a great amendment because it went to the heart of the issue in that they didn't want a company coming forward again and again with the same violations; they wanted to avoid the possibility of a pervasive management policy in the company to use the audit law to avoid compliance, and amendment #12 got at that. However, it didn't include "parent company" as **SEN. VAN VALKENGURG'S** did, i.e. the overarching philosophy could affect an individual facility. They didn't want the parent company's philosophy to be influencing the facility to continually be out of compliance. #12 of the Governor's amendments really addressed just the individual facility could not previously have violated the law; however, it left out the overarching management issue of the company; (3) #13 avoided the issue which wasn't satisfactory.

CHAIRMAN LORENTS GROSFIELD said #9 in the Governor's amendments was identical to #8 in **SEN. VAN VALKENBURG'S** amendments, while #12 & #13 of the Governor's conflicted with #12 & #13 of **SEN. VAN VALKENBURG'S**; however, there was no conflict with the rest of both sets.

Jerome Anderson said Shell Oil Company wanted to see a reasonable environmental self-audit bill passed by the Legislature; in fact, it had been involved in getting primacy from the EPA with respect to applications for underground injection wells and finally obtained it last year. He said they were currently in the process of implementing it so they weren't interested in doing anything to jeopardize the situation of primacy; however, neither were they interested in having an environmental self-audit bill which couldn't be used because of its nature. He said if the Governor's amendments were a package, he was going to request the bill be killed because the package couldn't be accepted or supported by his client. **Mr. Anderson** said Amendment #2 took the exemption from criminal prosecution away from them if the bill passed. If the balance of the bill was reasonable and proper, they could accept it; however, if it put them into the self-incriminatory situation, they couldn't accept the bill. If HB 293 passed, none of them would use it; he also reminded the Committee he would probably be sued for malpractice if he recommended the use of this bill under those circumstances to a client, and if liability was established.

He referred to Amendment #6 and said if someone should perform a self-audit with this provision in place, that entity not only set itself up for possible criminal prosecution because of Amendment #1, but laid itself open to administrative action under the amendment. He said the term "economic benefit obtained by the regulated entity" was a subjective rather than objective term -- there was no definition of this term in the bill.

{Tape: 2; Side: A; Approx. Time Count: 6:35 p.m.}

Mr. Anderson referred to Page 2, Line 26, of HB 293 and explained it was in there to preserve some degree of confidentiality and to encourage the use of the audit procedure by the confidentiality;

the bill now provided the report and underlying data was subject to discovery in a judicial or administrative proceeding, but there was protection with rules of discovery; however, through Amendment #5, the Department could obtain the audit in its entirety, and once it hit the Department files it became a matter of public record and could appear in headlines in the newspapers.

He said Amendment #9 was a repeat of the previous amendment in the Governor's group and literally created double jeopardy because it created a new cause of action for damages in the event of a violation; therefore, not only was there a cause of action for other activity in this bill, but also in a subtle way created a new liability for damages for a violation because it required self-incrimination for criminal prosecution if it was combined with Amendment #1.

He said in Amendment #12, instead of liability being established for repeated violations within three years, it now became a "two strikes and you're out" provision, i.e. one violation in three years. He insisted MEIC thought it was a great amendment because they knew it would be impossible to use the bill; MEIC wanted "parent company" language in their amendments so if Shell Oil Company was drilling a well on the coast of Louisiana and something happened on a well, it would be responsible to an agency in Montana for the violation, which was ridiculous.

Jerome Anderson referred to Amendment #10 and asked for a definition of "imminent threat", suggesting it was subjective language, and as for "actual substantial damage", everybody knew they'd be responsible for that. He declared when regulatory statutes were being passed, they should be specific, definitive and complete; in fact, language such as was in the amendments he referred to was subjective and interpretive in nature, which would lead to many interpretations and much litigation.

He said if the legislature was comfortable with the language required by the federal government through EPA, the bill should be forgotten and companies should be allowed to go to EPA for a self-audit. He explained if the MEIC Amendments #12 & #13 were adopted, the EPA would be given the opportunity, at any time, to repeal the statute fully and completely.

Mr. Anderson said he was sorry to oppose the Governor's amendments but they had no alternative.

SEN. DALE MAHLUM commented if HB 293 was passed without the amendments, the Governor would veto it, but if it was passed with the amendments, he may sign it; however, if companies like **Mr. Anderson's** wouldn't use it, who would? **Mr. Anderson** said it seemed like a useless exercise and legislative expense to go forward if it wouldn't result in a beneficial situation.

SEN. MAHLUM said he thought HB 293 would take care of both big and little companies, and illustrated by saying he thought the

bill would allow a small junk dealer who had batteries in a corner of his junkyard to pick them up, get rid of them, get all the dirt out and put fresh dirt in -- do something good for his little operation. **Mr. Anderson** said it would but if the bill was in the form requested by the Governor's Office or MEIC, when the junk dealer dug up his batteries, performed and reported an environmental self-audit, he would be exposing himself to criminal litigation with civil and administrative penalties. He said the dealer would have to give the Department and whoever was prosecuting, all the information he had; therefore, he would lose the Constitutional protection from self-incrimination.

SEN. MIKE TAYLOR said he had amendments **(EXHIBIT 4)** to exempt small operators from these regulations because he thought the premise of the bill was the small guy should have the ability to clean up. He said he basically agreed with the Governor's amendments, except for #12 & #13. He said there had to be some protection in the bill and the thought there was a balance between business and environment. He said when HB 293 was heard, the Governor said he supported it, except for one small amendment; however, now he said, after reviewing the bill completely, there were some problems. He reiterated he supported the Governor's amendments; however, **Jerome Anderson** may be right in that big companies might not use the bill, and he didn't think the bill could be balanced if several amendments were removed.

SEN. MACK COLE suggested some things could be worked out together, explaining there might be nothing if some of the amendments were left on, i.e. not everybody would be able to use the bill. He said he presently would have a difficult time going along with any amendments until they could be worked out.

CHAIRMAN LORENTS GROSFIELD referred to Amendments hb029307.alm **(EXHIBIT 4)** and said basically, there was a sunset and the time frame was changed from 30 to 15 days. He said there were basically three sets of amendments before the Committee and suggested there were three options: (1) Wade through the amendments, either package by package or amendment by amendment now; (2) Postpone actions until after adjournment tomorrow; (3) Table the bill.

Substitute Motion/Vote: **SEN. MIKE TAYLOR MOVED TO ADJOURN UNTIL THE NEXT EVENING (APRIL 3) TO GIVE TIME TO REVIEW ALL THE AMENDMENTS. Motion CARRIED 7-3 ON A ROLL CALL VOTE.**

ADJOURNMENT

Adjournment: The meeting adjourned at 7:00 p.m.

SEN. LORENTS GROSFIELD, Chairman

GAYLE HAYLEY, Secretary

LG/GH

Transcribed by: JANICE SOFT