



House of Representatives

General Assembly

File No. 530

February Session, 2014

Substitute House Bill No. 5431

House of Representatives, April 14, 2014

The Committee on Government Administration and Elections reported through REP. JUTILA of the 37th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT REQUIRING THE SUSPENSION OF ADMINISTRATIVE PENALTIES IMPOSED ON CERTAIN BUSINESS ENTITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2014, and applicable to penalties*
2 *imposed on and after said date*) (a) For purposes of this section, "state
3 agency" means any department, board, council, commission,
4 institution or other executive branch agency of state government, and
5 "business entity" means a corporation, association, partnership, limited
6 liability company or any other similar form of business organization.

7 (b) Notwithstanding any provision of the general statutes, a state
8 agency may suspend any civil penalty assessed against any business
9 entity for a first-time violation of any provision of a regulation of such
10 state agency, upon the request of such business entity, if the business
11 entity takes remedial measures which completely correct the violation
12 not later than thirty days after the assessment of such penalty. The
13 provisions of this section shall not apply to (1) any wilful or grossly

14 negligent violation, (2) a violation that results in the bodily injury of
15 any person, or (3) any penalty required under any provision of federal
16 law or regulation, including any penalty required as a condition for
17 receiving federal funding.

18 (c) Any business entity aggrieved by the denial of a state agency
19 under this section may appeal such denial in accordance with the
20 provisions of section 4-183 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014, and applicable to penalties imposed on and after said date</i>	New section

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Various State Agencies	Various - Potential Revenue Loss	Potential	Potential

Municipal Impact: None

Explanation

The bill allows state agencies to suspend a civil penalty assessed against any business entity under certain conditions. This may result in a revenue loss to the extent that state agencies choose to suspend civil penalties. In FY 2013, \$2.2 million was collected in General Fund revenue for civil penalties.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of suspended civil penalties.

OLR Bill Analysis**sHB 5431*****AN ACT REQUIRING THE SUSPENSION OF ADMINISTRATIVE PENALTIES IMPOSED ON CERTAIN BUSINESS ENTITIES.*****SUMMARY:**

This bill allows state agencies and other state entities to suspend civil penalties they assess against businesses, on the business' request, for violating the agency's or entity's regulations if the business (1) is a first-time violator and (2) takes remedial measures to completely correct the violation within 30 days of the penalty's assessment. This authority applies regardless of other statutes requiring these penalties. But, the bill does not allow suspending a penalty (1) for a willful or grossly negligent violation; (2) for a violation that results in bodily injury; or (3) when it is required by federal law or regulation, including as a condition of receiving federal funding.

The bill applies to civil penalties assessed by any state department, board, council, commission, institution, or other executive branch agency. It allows them to waive penalties for any business entity, defined as a corporation, association, partnership, limited liability company, or other similar business organization.

The bill allows businesses to appeal the denial of a waiver request to Superior Court.

EFFECTIVE DATE: October 1, 2014 and applicable to penalties imposed starting on that date.

BACKGROUND***Civil Penalties***

By law, many state agencies and entities can impose civil penalties for regulatory violations. For example, agencies can impose civil

penalties for violating various environmental, public health, and labor laws.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/24/2014)