



House of Representatives

General Assembly

File No. 532

February Session, 2016

Substitute House Bill No. 5500

House of Representatives, April 7, 2016

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 AUTHORIZING THE SUSPENSION OF CIVIL PENALTIES
IMPOSED ON CERTAIN BUSINESS ENTITIES PURSUANT TO
REGULATIONS.***

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

1 Section 1. (NEW) (*Effective October 1, 2016, and applicable to penalties*
2 *imposed on and after said date*) (a) For the 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 violation of any provision of a regulation of such state
10 agency, upon the request of such business entity, if the business entity
11 takes remedial measures which completely correct the violation not
12 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 to
 19 suspend a civil penalty pursuant to this section may appeal such
 20 denial in accordance with the provisions of section 4-183 of the general
 21 statutes.

| | | |
|---|--|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2016, and applicable to penalties imposed on and after said date</i> | New section |

Statement of Legislative Commissioners:

The title was changed and in Subsec. (b), "first-time violation" was changed to "first violation" for consistency with the general statutes.

GAE *Joint Favorable Subst. -LCO*

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 17 \$ | FY 18 \$ |
|------------------------|----------------------------------|-------------|-------------|
| Various State Agencies | Various - Potential Revenue Loss | Significant | Significant |

Note: Various=Various

Municipal Impact: None

Explanation

The bill allows state agencies to suspend civil penalties they assessed against businesses for first-time violations of certain regulations. State agencies may do this if the business has requested the suspension, and the business takes remedial measures.

This may result in a significant revenue loss to the state depending on the number of suspensions, and the amount of civil penalties assessed.

The Out Years

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

OLR Bill Analysis**sHB 5500*****AN ACT AUTHORIZING THE SUSPENSION OF CIVIL PENALTIES IMPOSED ON CERTAIN BUSINESS ENTITIES PURSUANT TO REGULATIONS.*****SUMMARY:**

This bill authorizes state agencies to suspend civil penalties they assess against businesses for first-time violations of their regulations. The business entity must (1) request the suspension and (2) take remedial measures, within 30 days after the penalty's assessment, to completely correct the violation.

Under the bill, a state agency cannot suspend a civil penalty (1) for a willful or grossly negligent violation; (2) for a violation resulting in bodily injury; or (3) required by federal law or regulation, including as a condition of receiving federal funding. Any business entity aggrieved by a denial to suspend a penalty may appeal to Superior Court under the Uniform Administrative Procedure Act.

The bill defines "state agency" as any state department, board, council, commission, institution, or other executive branch agency. It defines "business entity" as a corporation, association, partnership, limited liability company, or other similar business organization.

EFFECTIVE DATE: October 1, 2016 and applicable to penalties imposed on and after that date.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable

Yea 14 Nay 1 (03/18/2016)