



# House of Representatives

General Assembly

**File No. 355**

February Session, 2018

Substitute House Bill No. 5266

*House of Representatives, April 10, 2018*

The Committee on Government Administration and Elections reported through REP. FOX of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT PERMITTING THE SUSPENSION OF ADMINISTRATIVE PENALTIES IMPOSED ON CERTAIN BUSINESS ENTITIES PURSUANT TO STATE AGENCY REGULATIONS.***

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

1 Section 1. (NEW) (*Effective October 1, 2018, and applicable to penalties*  
2 *assessed 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 the regulations of  
10 Connecticut state agencies, upon the written request of such business  
11 entity, if such business entity takes measures that remedy the  
12 condition that resulted in such violation not later than thirty days after

13 the assessment of such penalty. The provisions of this section shall not  
14 apply to (1) any wilful or grossly negligent violation, (2) any violation  
15 that results in the bodily injury of any person, (3) any violation that  
16 poses a considerable environmental or human health threat, or (4) any  
17 penalty required under any provision of federal law or regulation,  
18 including any penalty required as a condition for receiving federal  
19 funding.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018, and applicable to penalties assessed 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 19 \$	FY 20 \$
Various State Agencies	GF - Various - Potential Revenue Loss	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

This bill allows any state agency to suspend certain civil penalties against any business entity for a first violation of agency regulations which is anticipated to result in a potential revenue loss to the state. The amount of revenue lost is dependent on the number of suspensions and the amount of civil penalties assessed. In FY 17 there was \$1.5 million in civil penalties assessed statewide.

**The Out Years**

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

**OLR Bill Analysis****sHB 5266*****AN ACT PERMITTING THE SUSPENSION OF ADMINISTRATIVE PENALTIES IMPOSED ON CERTAIN BUSINESS ENTITIES PURSUANT TO STATE AGENCY REGULATIONS.*****SUMMARY**

This bill allows a state agency, with certain exceptions, to suspend civil penalties it assesses against business entities for a first-time violation of any provision of the agency's regulations, if certain conditions are met. The business must (1) request the penalty suspension in writing and (2) take measures that correct the violation within 30 days after the penalty's assessment.

The bill prohibits a state agency from suspending a civil penalty when the violation (1) is willful or grossly negligent; (2) results in bodily injury; or (3) poses a considerable environmental or human health threat. The bill also prohibits the suspension of any penalty required by federal law or regulation, including those required as a condition of receiving federal funding.

(It is unclear whether a business entity would be eligible for a one-time penalty suspension or each time the business violates a regulation for the first time. It appears the suspension applies to any daily penalties that would otherwise accrue for each day certain violations continue, as well as the penalty for the violation itself.)

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

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EFFECTIVE DATE: October 1, 2018, and applicable to penalties

imposed on and after that date.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 9 Nay 8 (03/23/2018)