



Senate

General Assembly

File No. 467

February Session, 2018

Senate Bill No. 269

Senate, April 12, 2018

The Committee on Commerce reported through SEN. HARTLEY, J. of the 15th Dist. and SEN. FRANTZ, L. of the 36th Dist., Chairpersons of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE ASSESSMENT OF CIVIL PENALTIES AGAINST SMALL BUSINESSES BY THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION.

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

1 Section 1. (NEW) (*Effective October 1, 2018*) (a) For the purposes of
2 this section, "small business entity" means a corporation, association,
3 partnership, limited liability company or any other similar form of
4 business organization with fewer than two hundred fifty employees.

5 (b) (1) Notwithstanding any provision of the general statutes, the
6 Commissioner of Energy and Environmental Protection shall not
7 assess a civil penalty against any small business entity for a first
8 violation of any provision of the regulations adopted by the
9 commissioner if, not later than thirty days after the small business
10 entity receives written notice from the commissioner of such first
11 violation, such business entity (A) takes measures that ensure a
12 complete remedy of the condition that resulted in such violation

13 within a reasonable period of time, not to exceed six months after
14 receipt of such notice, and (B) submits written documentation of such
15 measures to the commissioner. If such condition is not remedied
16 within such six-month period, the commissioner shall assess a civil
17 penalty for such first violation unless the commissioner extends such
18 period of time in writing.

19 (2) The provisions of this section shall not apply to (A) any wilful or
20 grossly negligent violation, (B) any violation that results in harm to
21 human health or the environment, or (C) any penalty required under
22 any provision of federal law or regulation, including any penalty
23 required as a condition for receiving federal funding.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	New section

CE *Joint Favorable*

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 \$
Department of Energy and Environmental Protection	GF - Revenue Gain	Potential	Potential
Department of Energy and Environmental Protection	GF - Revenue Loss	Less than 30,000	Less than 30,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill prohibits the Department of Energy and Environmental Protection (DEEP) from assessing a civil penalty against businesses of fewer than 250 employees for first-time regulation violations under certain conditions. The prohibition on assessing civil penalties does not apply to violations for which a penalty is required as a condition for federal funding.

This would result in a revenue loss to DEEP, as several civil penalties of \$500-\$1,000 assessed against small businesses for violations would no longer be collected. It is anticipated that the revenue loss would be less than \$30,000 annually. In 2016, there were 17 violations of \$1,000 each.

The bill also requires DEEP to impose a civil penalty for violations taking longer than six months to remedy. To the extent this is enforced by DEEP, there may be a revenue gain associated with this provision.

The Out Years

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

OLR Bill Analysis**SB 269*****AN ACT CONCERNING THE ASSESSMENT OF CIVIL PENALTIES AGAINST SMALL BUSINESSES BY THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION.*****SUMMARY**

This bill prohibits the Department of Energy and Environmental Protection (DEEP) commissioner from assessing a civil penalty against a business with fewer than 250 employees for a first-time violation of DEEP regulations if, within 30 days after receiving a written violation notice from the commissioner, the business: (1) takes measures that will completely remedy the condition that resulted in the violation within a reasonable amount of time up to six months and (2) sends written documentation of such measures to DEEP.

The bill requires the DEEP commissioner to assess the penalty if the condition is not remedied within six months, unless he extends the period of time in writing.

Under the bill, the prohibition on assessing a civil penalty applies regardless of any other statutory provision, but does not apply to violations (1) that are willful or grossly negligent, (2) harmful to human health or the environment, or (3) for which a penalty is required under federal law or regulation, including penalties required as a condition for federal funding.

EFFECTIVE DATE: October 1, 2018

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 20 Nay 0 (03/27/2018)