

Government Administration and Elections Committee
JOINT FAVORABLE REPORT

Bill No.: HB-5266

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

Title: AGENCY REGULATIONS.

Vote Date: 3/23/2018

Vote Action: Joint Favorable Substitute

PH Date: 3/5/2018

File No.: 355

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Government Administration and Elections Committee

Rep. Craig C. Fishbein, 90th Dist.

Rep. John Fusco, 81st Dist.

REASONS FOR BILL:

This bill permits state agencies to suspend civil penalties against a first-time offender for up to 30 days as long as the business takes remedial measures to correct the action. Civil penalties serve as a roadblock for businesses. Connecticut is in need of a more friendly business climate.

Proposed Substitute Language* Section 1. Effective October 1, 2018, and applicable to penalties assessed on and after said date

RESPONSE FROM ADMINISTRATION/AGENCY:

Scott Jackson, Commissioner, Department of Labor (DOL):

The Department of Labor opposes the bill stating it will impose a serious burden on the DOL. "If DOL does not waive the civil penalty for a first violation, the business entity would have a right to a full administrative hearing pursuant to the Uniform Administrative Procedures Act, in order to obtain a final decision appealable to court." Each case would require an administrative hearing, which the DOL does not have the staff or resources to follow through with.

Robert J. Klee, Commissioner, Department of Energy and Environmental Protection (DEEP):

DEEP strongly opposes the bill. The proposal is unnecessary because DEEP already has the discretion needed to deal with the most severe regulatory infractions. The bill could risk federal funding and “Presents a perverse incentive that would reward violations of environmental standards.”

NATURE AND SOURCES OF SUPPORT:

Robin Green, State Representative, 55th dist.:

“In our ongoing effort to make Connecticut more business friendly, this bill would recognize the good faith efforts of business owners to comply with state law and allow for the opportunity to correct their process.”

Eric Brown, Connecticut Business and Industry Association (CBIA):

The CBIA supports the bill with suggestions for modification. The bill will help address the burdensome nature of CT’s regulatory climate. After meeting with DEEP, the CBIA suggests that subsection (c) be removed to gain consensus.

Joe Horvath, Director of Legislative Outreach, Yankee Institute for Public Policy:

The Yankee Institute supports the bill and other efforts to improve Connecticut’s regulatory climate. “Regulatory reform is an excellent pro-growth avenue that does not have the kind of fiscal impact that prevents fundamental tax reform at this time.”

House Republican Office, State of CT:

The state needs to improve its business and regulatory climate. Permitting agencies to take this approach will encourage businesses to be proactive about remediation of violations.

NATURE AND SOURCES OF OPPOSITION:

Margaret Miner, Executive Director, Rivers Alliance of CT:

In their experience, state agencies are “Reluctant to impose penalties and go beyond the call of duty.” As such, there are numerous ongoing infractions but minimal penalties actually imposed. Rivers Alliance of CT is worried this legislation will lead to less environmental protection rather than more.

Raphael L. Podolsky, Public Policy Advocate, Connecticut Legal Services:

Mr. Podolsky has concerns with the bill. He states that it is redundant to give an agency permission to suspend a penalty when the agency can already do so. Furthermore, an entity

that reaches the point of a civil penalty has already broken the law and should have time during the administrative process to remediate.

Leah Schmalz, Chief Program Officer, CT Fund for the Environment:

CT Fund for the Environment opposes the bill, stating that it adds more duties to already resource-strapped agencies. It also turns regulations into recommendations and further crowds our already over-burdened court system.

Reported by: Stevie Hoyt / Susan Tufts

Date: 4/10/18