

# FINAL BILL REPORT

## SSB 5042

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### C 358 L 09

Synopsis as Enacted

**Brief Description:** Providing a waiver of penalties for first-time paperwork violations by small businesses.

**Sponsors:** Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kilmer, Holmquist, Berkey, Schoesler, Kauffman, Marr, Rockefeller, Haugen, Eide, Kastama, Hatfield, Swecker, Tom, McAuliffe, Benton, Parlette and Roach).

**Senate Committee on Economic Development, Trade & Innovation**  
**House Committee on State Government & Tribal Affairs**  
**House Committee on Ways & Means**

**Background:** The Technical Assistance Act was passed in 1995 and requires agencies to provide technical assistance to businesses in complying with state regulatory programs. It also provides that agencies cannot issue civil penalties to businesses for first-time violations discovered during a technical assistance visit, provided such violations are corrected within a reasonable period of time. Unless otherwise prohibited, agencies are allowed to issue civil penalties for first-time violations discovered outside of technical assistance visits.

**Summary:** Agencies must waive fines, civil penalties, or administrative sanctions for first-time paperwork violations by small businesses. A paperwork violation is defined as failure to comply with any statute or regulation requiring an agency to collect data or a business to collect, post, or retain data. In the event of a second violation or failure to correct the first violation, the agency may reinstate the previously waived penalty and impose any new penalty stemming from the second violation. The waiver is not available to a small business whose owner or operator has previously committed a paperwork violation, and cannot reduce a requirement to apply for a permit or license.

The waiver requirement does not apply where the violation: 1) presents a direct danger to the public health, results in a loss of income or benefits to an employee, poses a potentially significant threat to human health or the environment, or causes serious harm to the public interest; 2) involves knowing or willful conduct that may result in a felony conviction; 3) concerns assessment or collection of any tax, debt, revenue, or receipt; or 4) conflicts with federal law or programs.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The waiver does not apply to a regulated entity's financial filings, an insurance rate or form filing, any business required to provide accurate and complete information regarding any claim for payment by the state or federal government, or any businesses licensed or certified to provide care to vulnerable adults or children.

**Votes on Final Passage:**

Senate	46	0	
House	97	0	(House amended)
Senate	43	0	(Senate concurred)

**Effective:** July 26, 2009