

HOUSE BILL ANALYSIS

HB 1744

Title: An act relating to corporate endangerment.

Brief Description: Making it a crime for a director of a corporation to approve an act that endangers public health or safety.

Sponsors: Representatives Dickerson, Conway, Costa, Dunshee, Cody, Blalock, Cooper, Murray, Keiser and Gombosky.

HOUSE COMMITTEE ON LAW & JUSTICE

Staff: Edie Adams (786-7180).

Background: A person who engages in criminal conduct in the name of or on behalf of a corporation is criminally liable to the same extent as if the person engaged in the conduct on his or her own behalf.

A corporation may be guilty of a criminal offense under any of the following circumstances:

- The conduct constituting the offense consists of an omission to discharge a specific duty imposed on the corporation by law;
- The conduct constituting the offense is engaged in, authorized, solicited, requested, commanded, or tolerated by the board of directors, or by a high managerial agent acting within the scope of his or her employment and on behalf of the corporation; or
- The conduct constituting the offense is engaged in by an agent of the corporation other than a high managerial agent, and the offense is a gross misdemeanor or misdemeanor offense, or the offense is one for which there is a clear legislative intent to impose liability on a corporation.

A "high managerial agent" is defined as an officer or director, or other agent in a comparable position of authority with respect to the formulation of corporate policy or the supervision of subordinate employees.

Summary of Bill: A new crime of corporate endangerment is created. A person is guilty of corporate endangerment if, while acting as a high managerial agent, the person approves an action of the corporation that endangers public health or safety by

creating a substantial risk of death or substantial bodily harm to a person, and substantial bodily harm or death results from the corporation's action.

Corporate endangerment is a class C felony.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Office of Program Research