
ENGROSSED SUBSTITUTE HOUSE BILL 2362

State of Washington

65th Legislature

2018 Regular Session

By House Public Safety (originally sponsored by Representatives Pellicciotti, Sawyer, Robinson, Dolan, Chapman, Kilduff, Stanford, Macri, Ryu, Ormsby, and Doglio)

READ FIRST TIME 01/29/18.

1 AN ACT Relating to crime committed by business entities; amending
2 RCW 9A.08.030, 10.01.070, 10.01.090, and 10.01.100; and prescribing
3 penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 9A.08.030 and 2011 c 336 s 352 are each amended to
6 read as follows:

7 (1) As used in this section:

8 (a) "Agent" means any director, officer, or employee of a
9 (~~corporation~~) business entity, or any other person who is
10 authorized to act on behalf of the (~~corporation~~) business entity;

11 (b) (~~"Corporation"~~) "Business entity" includes (~~a joint stock~~
12 ~~association~~) any domestic entity formed under or governed as to its
13 internal affairs by Title 23, 23B, or 25 RCW, or chapter 24.06 RCW,
14 or any foreign business entity formed under or governed as to its
15 internal affairs by the laws of a jurisdiction other than this state;

16 (c) "High managerial agent" means an officer or director of a
17 (~~corporation~~) business entity or any other agent in a position of
18 comparable authority (~~with respect to the formulation of corporate~~
19 ~~policy or the supervision~~) to exercise the powers of the business
20 entity and manage the affairs and activities of the business entity

1 or to exercise supervision in a managerial capacity of subordinate
2 employees.

3 (2) A (~~corporation~~) business entity is guilty of an offense
4 when:

5 (a) The conduct constituting the offense consists of an omission
6 to discharge a specific duty of performance imposed on
7 (~~corporations~~) business entities by law; or

8 (b) The conduct constituting the offense is engaged in,
9 authorized, solicited, requested, commanded, or tolerated by (~~the~~
10 ~~board of directors or by~~) a high managerial agent acting within the
11 scope of his or her employment and on behalf of the (~~corporation~~)
12 business entity; or

13 (c) The conduct constituting the offense is engaged in by an
14 agent of the (~~corporation~~) business entity, other than a high
15 managerial agent, while acting within the scope of his or her
16 employment and (~~in~~) on behalf of the (~~corporation~~) business
17 entity and (i) the offense is a gross misdemeanor or misdemeanor, or
18 (ii) the offense is one defined by a statute which clearly indicates
19 a legislative intent to impose such criminal liability on a
20 (~~corporation~~) business entity.

21 (3) A person is criminally liable for conduct constituting an
22 offense which he or she performs or causes to be performed in the
23 name of or on behalf of a (~~corporation~~) business entity to the same
24 extent as if such conduct were performed in his or her own name or
25 behalf.

26 (4) Whenever a duty to act is imposed by law upon a
27 (~~corporation~~) business entity, any agent of the (~~corporation~~)
28 business entity who knows he or she has or shares primary
29 responsibility for the discharge of the duty is criminally liable for
30 a reckless omission or, if a high managerial agent, criminally
31 negligent omission to perform the required act to the same extent as
32 if the duty were by law imposed directly upon such agent.

33 (5) Every (~~corporation~~) business entity, whether foreign or
34 domestic, which shall violate any provision of RCW 9A.28.040, shall
35 forfeit every right and franchise to do business in this state. The
36 attorney general shall begin and conduct all actions and proceedings
37 necessary to enforce the provisions of this subsection.

38 **Sec. 2.** RCW 10.01.070 and 1987 c 202 s 147 are each amended to
39 read as follows:

1 (1) Whenever an indictment or information shall be filed in any
2 superior court against a (~~corporation~~) business entity charging it
3 with the commission of a crime, a summons shall be issued by the
4 clerk of such court, signed by one of the judges thereof, commanding
5 the sheriff forthwith to notify the accused thereof, and commanding
6 it to appear before such court at such time as shall be specified in
7 said summons. Such summons and a copy of the indictment or
8 information shall be at once delivered by such clerk to said sheriff
9 and by the sheriff forthwith served and returned in the manner
10 provided for service of summons upon such (~~corporation~~) business
11 entity in a civil action. Whenever a complaint against a
12 (~~corporation~~) business entity, charging it with the commission of a
13 crime, shall be made before any district or municipal judge, a like
14 summons, signed by such judge, shall be issued, which, together with
15 a copy of said complaint, shall be delivered to the sheriff at once
16 and by the sheriff forthwith served as herein provided.

17 (2) For the purposes of this section, "business entity" has the
18 same meaning as provided in RCW 9A.08.030.

19 **Sec. 3.** RCW 10.01.090 and 1987 c 202 s 148 are each amended to
20 read as follows:

21 (~~If the corporation shall be found guilty and a fine imposed,~~
22 ~~it~~) (1) A business entity convicted of an offense may be ordered to
23 pay legal financial obligations, including restitution, crime
24 victims' assessments, costs, fines, penalties, and other assessments
25 authorized or required by law. Legal financial obligations imposed
26 upon a business entity shall be entered and docketed by the clerk, or
27 district or municipal court as a judgment against the (~~corporation~~)
28 business entity, and it shall be of the same force and effect and be
29 enforced against such (~~corporation~~) business entity in the same
30 manner as a judgment in a civil action. Notwithstanding any other
31 provisions pertaining to legal financial obligations, all legal
32 financial obligations imposed in a judgment against a business entity
33 under this section bear interest from the date of the judgment until
34 payment at the rate applicable to civil judgments under RCW 4.56.110.
35 When a business entity is ordered to pay restitution, payments to the
36 clerk must be distributed to restitution prior to all other
37 obligations.

38 (2) Except as otherwise provided under subsection (1) of this
39 section, payments on legal financial obligations must be collected

1 and distributed according to the requirements under RCW 3.50.100,
2 3.62.020, 3.62.040, 9.92.070, 9.94A.760, 10.01.160, 10.01.170,
3 10.01.180, 10.46.190, 10.64.015, 10.73.160, 10.82.090, 35.20.220, and
4 any other sections applicable to legal financial obligations imposed
5 as a result of a criminal conviction.

6 (3) For the purposes of this section, "business entity" has the
7 same meaning as provided in RCW 9A.08.030.

8 **Sec. 4.** RCW 10.01.100 and 1925 ex.s. c 101 s 1 are each amended
9 to read as follows:

10 ~~((Every corporation guilty of a violation of any law of the state~~
11 ~~of Washington, where the prescribed penalty is, for any reason,~~
12 ~~incapable of execution or enforcement against such corporation, shall~~
13 ~~be punished by a fine of not more than ten thousand dollars, if such~~
14 ~~offense is a felony; or, by a fine of not more than one thousand~~
15 ~~dollars if such offense is a gross misdemeanor; or, by a fine of not~~
16 ~~more than five hundred dollars if such offense is a misdemeanor.))~~

17 (1) When imposed on a business entity for any criminal offense for
18 which no special business fine is specified, a sentence to pay a fine
19 may not exceed:

- 20 (a) One million dollars for a class A or B felony;
21 (b) Seven hundred fifty thousand dollars for a class C felony;
22 (c) Two hundred fifty thousand dollars for a gross misdemeanor;
23 and
24 (d) Fifty thousand dollars for a misdemeanor.

25 (2) If a special fine for business entities is expressly
26 specified in the statute that defines an offense, the fine fixed must
27 be within the limits specified in the statute.

28 (3) For the purposes of this section, "business entity" has the
29 same meaning as provided in RCW 9A.08.030.

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