CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5025**

Chapter 228, Laws of 2021

67th Legislature

2021 Regular Session

CONSUMER PROTECTION ACT—PENALTIES

EFFECTIVE DATE: July 25, 2021

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| Passed by the Senate April 19, 2021  Yeas 30 Nays 19  DENNY HECK  **President of the Senate**  Passed by the House April 6, 2021  Yeas 57 Nays 41  LAURIE JINKINS  **Speaker of the House of Representatives** | CERTIFICATE  I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5025** as passed by the Senate and the House of Representatives on the dates hereon set forth.  BRAD HENDRICKSON  Secretary |
| Approved May 10, 2021 3:24 PM | May 10, 2021 |
| JAY INSLEE  **Governor of the State of Washington** | **Secretary of State**  **State of Washington** |

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**SUBSTITUTE SENATE BILL 5025**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2021 Regular Session

**State of Washington 67th Legislature 2021 Regular Session**

**By** Senate Law & Justice (originally sponsored by Senators Rolfes, Billig, Conway, Das, Dhingra, Hasegawa, Hunt, Keiser, Kuderer, Lovelett, Pedersen, Saldaña, Salomon, Stanford, Van De Wege, Wellman, and Wilson, C.; by request of Attorney General)

AN ACT Relating to the consumer protection improvement act; amending RCW 19.86.140 and 4.16.160; creating new sections; and prescribing penalties.

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

NEW SECTION. **Sec.**  The legislature finds that:

(1) Strong consumer protection and antitrust penalties are critical to protecting consumers and ensuring a fair marketplace;

(2) Strong penalties ensure accountability, deter violations, and ensure a level playing field for businesses;

(3) Washington currently does not provide strong penalties for violations of the state's consumer protection act, which prohibits unfair or deceptive acts or practices and unfair methods of competition;

(4) Washington's penalty for unfair or deceptive acts or practices has not kept pace with inflation, and has not increased since 1970;

(5) Washington's penalty for unfair methods of competition has also not kept pace with inflation, and has not increased since 1983;

(6) Consequently, Washington has one of the lowest consumer protection penalties in the United States;

(7) Twenty-four state legislatures representing more than 200 million Americans have passed enhanced penalties for violations that target or impact certain vulnerable populations, but Washington does not have an enhanced penalty;

(8) Many Washingtonians are hurting financially due to the impacts of the global pandemic;

(9) Washington's weak penalties place Washington consumers at greater risk; and

(10) Washingtonians deserve strong consumer protections to ensure entities that illegally, unfairly, and deceptively go after their hard-earned dollars are held accountable.

**Sec.**  RCW 19.86.140 and 1983 c 288 s 2 are each amended to read as follows:

Every person who shall violate the terms of any injunction issued as in this chapter provided, shall forfeit and pay a civil penalty of not more than ((~~twenty-five thousand dollars~~)) $125,000.

Every ((~~person, other than a corporation,~~)) individual who violates RCW 19.86.030 or 19.86.040 shall pay a civil penalty of not more than ((~~one hundred thousand dollars~~)) $180,000. Every ((~~corporation which~~)) person, other than an individual, who violates RCW 19.86.030 or 19.86.040 shall pay a civil penalty of not more than ((~~five hundred thousand dollars~~)) $900,000.

Every person who violates RCW 19.86.020 shall forfeit and pay a civil penalty of not more than ((~~two thousand dollars~~)) $7,500 for each violation: PROVIDED, That nothing in this paragraph shall apply to any radio or television broadcasting station which broadcasts, or to any publisher, printer or distributor of any newspaper, magazine, billboard or other advertising medium who publishes, prints or distributes, advertising in good faith without knowledge of its false, deceptive or misleading character.

For unlawful acts or practices that target or impact specific individuals or communities based on demographic characteristics including, but not limited to, age, race, national origin, citizenship or immigration status, sex, sexual orientation, presence of any sensory, mental, or physical disability, religion, veteran status, or status as a member of the armed forces, as that term is defined in 10 U.S.C. Sec. 101, an enhanced penalty of $5,000 shall apply.

For the purpose of this section the superior court issuing any injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the attorney general acting in the name of the state may petition for the recovery of civil penalties.

With respect to violations of RCW 19.86.030 and 19.86.040, the attorney general, acting in the name of the state, may seek recovery of such penalties in a civil action.

By December 1, 2022, and every five years thereafter, the office of the attorney general shall evaluate the efficacy of the maximum civil penalty amounts established in this section in deterring violations of the consumer protection act and the difference, if any, between the current penalty amounts and the penalty amounts adjusted for inflation, and provide the legislature with a report of its findings and any recommendations in compliance with RCW 43.01.036.

**Sec.**  RCW 4.16.160 and 1986 c 305 s 701 are each amended to read as follows:

The limitations prescribed in this chapter shall apply to actions brought in the name or for the benefit of any county or other municipality or quasimunicipality of the state, in the same manner as to actions brought by private parties: PROVIDED, That, except as provided in RCW 4.16.310, there shall be no limitation to actions brought in the name or for the benefit of the state, and no claim of right predicated upon the lapse of time shall ever be asserted against the state, including actions asserting a claim for civil penalties under RCW 19.86.140: AND FURTHER PROVIDED, That no previously existing statute of limitations shall be interposed as a defense to any action brought in the name or for the benefit of the state, although such statute may have run and become fully operative as a defense prior to February 27, 1903, nor shall any cause of action against the state be predicated upon such a statute.

NEW SECTION. **Sec.**  This act may be known and cited as the consumer protection improvement act.

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Passed by the Senate April 19, 2021.

Passed by the House April 6, 2021.

Approved by the Governor May 10, 2021.

Filed in Office of Secretary of State May 10, 2021.