
SUBSTITUTE SENATE BILL 5042

State of Washington

61st Legislature

2009 Regular Session

By Senate 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)

READ FIRST TIME 01/30/09.

1 AN ACT Relating to first-time paperwork violations by small
2 businesses; and adding a new section to chapter 34.05 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 34.05 RCW
5 to read as follows:

6 (1) Except as provided in subsection (3) of this section, agencies
7 shall waive any fines, civil penalties, or administrative sanctions for
8 first-time paperwork violations by a small business.

9 (2) When an agency waives a fine, penalty, or sanction under this
10 section, when possible it shall require the small business to correct
11 the violation within a reasonable period of time, in a manner specified
12 by the agency. If correction is impossible, no correction may be
13 required and failure to correct is not grounds for reinstatement of
14 fines, penalties, or sanctions under subsection (4)(b) of this section.

15 (3) Exceptions to the waiver requirement of this section may be
16 made for any of the following reasons:

17 (a) The agency head determines that the effect of the violation
18 presents a direct danger to the public health, results in a loss of

1 income or benefits to an employee, poses a potentially significant
2 threat to human health or the environment, or causes serious harm to
3 the public interest;

4 (b) The violation involves a small business knowingly or willfully
5 engaging in conduct that may result in a felony conviction;

6 (c) The violation is of a requirement concerning the assessment,
7 collection, or administration of any tax, tax program, debt, revenue,
8 or receipt;

9 (d) The waiver is in conflict with federal law or program
10 requirements, federal requirements that are a prescribed condition to
11 the allocation of federal funds to the state, or the requirements for
12 eligibility of employers in this state for federal unemployment tax
13 credits, as determined by the agency head;

14 (e) The small business committing the violation previously violated
15 a substantially similar paperwork requirement; or

16 (f) The owner or operator of the small business committing the
17 violation owns or operates, or owned or operated a different small
18 business which previously violated a substantially similar paperwork
19 requirement.

20 (4)(a) Nothing in this section prohibits an agency from waiving
21 fines, civil penalties, or administrative sanctions incurred by a small
22 business for a paperwork violation that is not a first-time offense.

23 (b) Any fine, civil penalty, or administrative sanction that is
24 waived under this section may be reinstated and imposed in addition to
25 any additional fines, penalties, or administrative sanctions associated
26 with a subsequent violation for noncompliance with a substantially
27 similar paperwork requirement, or failure to correct the previous
28 violation as required by the agency under subsection (2) of this
29 section.

30 (5) Nothing in this section may be construed to diminish the
31 responsibility for any citizen or business to apply for and obtain a
32 permit, license, or authorizing document that is required to engage in
33 a regulated activity, or otherwise comply with state or federal law.

34 (6) As used in this section:

35 (a) "Small business" means a business with two hundred fifty or
36 fewer employees.

37 (b) "Paperwork violation" means the violation of any statutory or
38 regulatory requirement that mandates the collection of information by

1 an agency, or the collection, posting, or retention of information by
2 a small business. This includes but is not limited to requirements in
3 the Revised Code of Washington, the Washington Administrative Code, the
4 Washington State Register, or any other agency directive.

5 (c) "First-time paperwork violation" means the first instance of a
6 particular or substantially similar paperwork violation.

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