

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1150**

62nd Legislature  
2011 Regular Session

Passed by the House March 3, 2011  
Yeas 96 Nays 0

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**Speaker of the House of Representatives**

Passed by the Senate March 30, 2011  
Yeas 47 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1150** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 1150

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Passed Legislature - 2011 Regular Session

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Smith, Probst, Schmick, Warnick, Dahlquist, Hunt, Ross, Pearson, Dammeier, Kenney, Rodne, Kagi, Hargrove, Harris, Nealey, Short, Lias, Orcutt, Finn, Kelley, Takko, Taylor, Maxwell, Bailey, Reykdal, Upthegrove, Billig, Kristiansen, Frockt, Carlyle, Blake, Springer, Angel, Hurst, McCune, Rolfes, Condotta, and Klippert

Read first time 01/13/11. Referred to Committee on State Government & Tribal Affairs.

1 AN ACT Relating to extending the time in which a small business may  
2 correct a violation without a penalty; and amending RCW 34.05.110.

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

4 **Sec. 1.** RCW 34.05.110 and 2010 c 194 s 1 are each amended to read  
5 as follows:

6 (1) Agencies must provide to a small business a copy of the state  
7 law or agency rule that a small business is violating and a period of  
8 at least (~~two business~~) seven calendar days to correct the violation  
9 before the agency may impose any fines, civil penalties, or  
10 administrative sanctions for a violation of a state law or agency rule  
11 by a small business. If no correction is possible or if an agency is  
12 acting in response to a complaint made by a third party and the third  
13 party would be disadvantaged by the application of this subsection, the  
14 requirements in this subsection do not apply.

15 (2) Except as provided in subsection (4) of this section, agencies  
16 shall waive any fines, civil penalties, or administrative sanctions for  
17 first-time paperwork violations by a small business.

18 (3) When an agency waives a fine, penalty, or sanction under this  
19 section, when possible it shall require the small business to correct

1 the violation within a reasonable period of time, in a manner specified  
2 by the agency. If correction is impossible, no correction may be  
3 required and failure to correct is not grounds for reinstatement of  
4 fines, penalties, or sanctions under subsection (5)(b) of this section.

5 (4) Exceptions to requirements of subsection (1) of this section  
6 and the waiver requirement in subsection (2) of this section may be  
7 made for any of the following reasons:

8 (a) The agency head determines that the effect of the violation or  
9 waiver presents a direct danger to the public health, results in a loss  
10 of income or benefits to an employee, poses a potentially significant  
11 threat to human health or the environment, or causes serious harm to  
12 the public interest;

13 (b) The violation involves a knowing or willful violation;

14 (c) The violation is of a requirement concerning the assessment,  
15 collection, or administration of any tax, tax program, debt, revenue,  
16 receipt, a regulated entity's financial filings, or insurance rate or  
17 form filing;

18 (d) The requirements of this section are in conflict with federal  
19 law or program requirements, federal requirements that are a prescribed  
20 condition to the allocation of federal funds to the state, or the  
21 requirements for eligibility of employers in this state for federal  
22 unemployment tax credits, as determined by the agency head;

23 (e) The small business committing the violation previously violated  
24 a substantially similar requirement; or

25 (f) The owner or operator of the small business committing the  
26 violation owns or operates, or owned or operated a different small  
27 business which previously violated a substantially similar requirement.

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

31 (b) Any fine, civil penalty, or administrative sanction that is  
32 waived under this section may be reinstated and imposed in addition to  
33 any additional fines, penalties, or administrative sanctions associated  
34 with a subsequent violation for noncompliance with a substantially  
35 similar paperwork requirement, or failure to correct the previous  
36 violation as required by the agency under subsection (3) of this  
37 section.

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

5 (7) Nothing in this section shall be construed to apply to small  
6 businesses required to provide accurate and complete information and  
7 documentation in relation to any claim for payment of state or federal  
8 funds or who are licensed or certified to provide care and services to  
9 vulnerable adults or children.

10 (8) Nothing in this section affects the attorney general's  
11 authority to impose fines, civil penalties, or administrative sanctions  
12 as otherwise authorized by law; nor shall this section affect the  
13 attorney general's authority to enforce the consumer protection act,  
14 chapter 19.86 RCW.

15 (9) As used in this section:

16 (a) "Small business" means a business with two hundred fifty or  
17 fewer employees or a gross revenue of less than seven million dollars  
18 annually as reported on its most recent federal income tax return or  
19 its most recent return filed with the department of revenue.

20 (b) "Paperwork violation" means the violation of any statutory or  
21 regulatory requirement that mandates the collection of information by  
22 an agency, or the collection, posting, or retention of information by  
23 a small business. This includes but is not limited to requirements in  
24 the Revised Code of Washington, the Washington Administrative Code, the  
25 Washington State Register, or any other agency directive.

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

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