
HOUSE BILL 2362

State of Washington

65th Legislature

2018 Regular Session

By Representatives Pellicciotti, Sawyer, Robinson, Dolan, Chapman, Kilduff, Stanford, Macri, Ryu, Ormsby, and Doglio

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

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

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

6 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

36 **Sec. 2.** RCW 10.01.100 and 1925 ex.s. c 101 s 1 are each amended
37 to read as follows:

38 ~~((Every corporation guilty of a violation of any law of the state~~
39 ~~of Washington, where the prescribed penalty is, for any reason,~~

1 ~~incapable of execution or enforcement against such corporation, shall~~
2 ~~be punished by a fine of not more than ten thousand dollars, if such~~
3 ~~offense is a felony; or, by a fine of not more than one thousand~~
4 ~~dollars if such offense is a gross misdemeanor; or, by a fine of not~~
5 ~~more than five hundred dollars if such offense is a misdemeanor.)~~

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

- 9 (a) One million dollars for a class A or B felony;
- 10 (b) Seven hundred fifty thousand dollars for a class C felony;
- 11 (c) Two hundred fifty thousand dollars for a gross misdemeanor;
- 12 and
- 13 (d) Fifty thousand dollars for a misdemeanor.

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

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

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