

**SENATE, No. 2347**

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

INTRODUCED APRIL 5, 2018

**Sponsored by:**

**Senator ANTHONY M. BUCCO**  
**District 25 (Morris and Somerset)**  
**Senator ANTHONY R. BUCCO**  
**District 25 (Morris and Somerset)**

**Co-Sponsored by:**

**Senator Singleton**

**SYNOPSIS**

Suspends fines for certain first-time paperwork violations committed by small businesses.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 10/25/2019)**

1 AN ACT suspending fines for certain first-time paperwork violations  
2 committed by small businesses and supplementing Title 52 of the  
3 Revised Statutes.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. a. For any small business that commits a paperwork  
9 violation of a requirement regarding the collection of information  
10 by a State agency or regulatory authority, the State agency or  
11 regulatory authority shall suspend any administrative fine or civil  
12 penalty to be assessed against a business for the violation, if the  
13 paperwork violation is a first-time offense, unless the State agency  
14 or authority determines:

15 (1) the violation has the potential to cause serious harm to the  
16 public interest;

17 (2) failure to impose a fine or penalty would impede or interfere  
18 with the detection of criminal activity;

19 (3) the violation is a violation of a law concerning the  
20 assessment or collection of any tax, debt, revenue, or receipt;

21 (4) the violation was not corrected on or before the date that is  
22 six months after the date on which the small business receives  
23 notification of the violation in writing from the agency or authority;  
24 or

25 (5) except as provided in subsection b. of this section, the  
26 violation presents a danger to the public safety.

27 b. If a State agency or regulatory authority makes a  
28 determination that a violation committed by a small business  
29 presents a danger to public safety, the agency or authority shall  
30 have the discretion to determine whether the imposition of a fine or  
31 penalty is appropriate if the violation is corrected not later than 24  
32 hours after the receipt by the owner of the small business of  
33 notification of the violation in writing.

34 In determining whether to allow a small business 24 hours to  
35 correct a violation under this subsection, the agency or regulatory  
36 authority shall take into account all of the facts and circumstances  
37 regarding the violation, including:

38 (1) the nature and seriousness of the violation, including  
39 whether the violation is technical or inadvertent or involves willful  
40 or criminal conduct;

41 (2) whether the small business has made a good faith effort to  
42 comply with applicable laws and to remedy the violation within the  
43 shortest practicable period of time; and

44 (3) whether the small business has obtained a significant  
45 economic benefit from the violation.

46 c. As used in this act, "small business" means a business entity  
47 that employs not more than 50 full-time employees or the  
48 equivalent thereof and qualifies as a small business concern within

1 the meaning of the federal “Small Business Act,” Pub.L.85-536 (15  
2 U.S.C. s.631 et seq.).

3 d. This act shall not apply to any violation by a small business  
4 of a requirement regarding collection of information by a State  
5 agency or regulatory authority if the small business previously  
6 violated any requirement regarding collection of information by the  
7 agency or authority.

8 For purposes of making a determination under this subsection,  
9 the State agency or regulatory authority shall not take into account  
10 any violation of a requirement regarding collection of information  
11 by another agency or regulatory authority.

12 e. A State agency or authority shall adopt rules and regulations  
13 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410  
14 (C.52:14B-1 et seq.), as may be needed to effectuate this section.

15

16 2. This act shall take effect immediately.

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#### STATEMENT

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21 This bill would suspend the assessment of fines against small  
22 businesses for certain minor first-time paperwork violations. Under  
23 the bill, a small business means a business entity that employs 50  
24 full-time employees or fewer and qualifies as a small business  
25 concern as defined in the federal “Small Business Act.”

26 However, the first-time suspension of fines would not apply if:  
27 (1) the violation has the potential to cause serious harm to the  
28 public interest; (2) failure to impose a fine or penalty would impede  
29 or interfere with the detection of criminal activity; (3) the violation  
30 concerns the assessment or collection of any tax, debt, revenue, or  
31 receipt; (4) the violation was not corrected within six months of the  
32 date on which the small business received notification of the  
33 violation in writing from the agency or authority; or (5) the  
34 violation presents a danger to public safety.

35 If a State agency or regulatory authority determines that the  
36 violation presents a danger to the public safety, the agency or  
37 regulatory authority may nevertheless suspend the assessment of a  
38 fine under certain circumstances if the violation is corrected within  
39 24 hours after notification to the business of the violation.

40 This bill is similar to certain provisions of a bill pending in the  
41 115th Congress, S584, the Small Business Regulatory Flexibility  
42 Improvements Act, providing for the suspension of fines under  
43 certain circumstances for first-time paperwork violations by small  
44 businesses.