

112TH CONGRESS  
1ST SESSION

# H. R. 3267

To provide small businesses with a grace period for any regulatory violation,  
and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 26, 2011

Mr. PAUL introduced the following bill; which was referred to the Committee  
on the Judiciary

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## A BILL

To provide small businesses with a grace period for any  
regulatory violation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protect Small Business  
5 Jobs Act of 2011”.

6 **SEC. 2. IN GENERAL.**

7 Section 558 of title 5, United States Code, is amend-  
8 ed by adding at the end the following:

9 “(d) Before imposing any sanction on a small busi-  
10 ness (as such term is defined in section 601 of title 5,

1 United States Code, and including any business with a  
2 market capitalization of \$7,000,000 or less in average an-  
3 nual receipts, or any business that is classified as a mining  
4 or manufacturing business under the North American In-  
5 dustrial Classification System that has 500 employees or  
6 less) for any violation of a rule or pursuant to an adjudica-  
7 tion, an agency shall—

8           “(1) not later than 10 business days after the  
9           date on which the agency determines that a sanction  
10          may be imposed on the small business, provide no-  
11          tice to the small business that the small business  
12          may be subject to a sanction at the end of the grace  
13          period described in paragraph (2);

14          “(2) defer any further action for a period of not  
15          less than 6 months, which shall be extended by an  
16          additional period of 3 months on application by the  
17          small business demonstrating reasonable efforts  
18          made in good faith to remedy the violation or other  
19          conduct giving rise to the sanction;

20          “(3) make a further determination after the pe-  
21          riod described in paragraph (2) as to whether or not  
22          the small business would still be subject to the sanc-  
23          tion as of the end of that period; and

1           “(4) if the determination under paragraph (3)  
2           is that the small business would not be subject to  
3           the sanction, waive the sanction.

4           “(e) Nothing in subsection (d) shall be construed to  
5           prevent a small business from appealing any sanction im-  
6           posed in accordance with the procedures of the agency,  
7           or from seeking review under chapter 7 of this title.”.

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