Z-0504.1			

SENATE BILL 5249

55th Legislature

1997 Regular Session

By Senators Oke, Winsley and Patterson; by request of Governor Lowry Read first time 01/20/97. Referred to Committee on Commerce & Labor.

- 1 AN ACT Relating to regulation and control of tobacco products;
- 2 amending RCW 70.155.010, 70.155.030, 70.155.040, 70.155.050,
- 3 70.155.100, 70.155.110, 70.155.130, 82.24.500, and 82.24.550; adding a
- 4 new section to chapter 70.155 RCW; repealing RCW 70.155.060 and
- 5 82.24.270; and prescribing penalties.

State of Washington

- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 **Sec. 1.** RCW 70.155.010 and 1993 c 507 s 2 are each amended to read 8 as follows:
- 9 The definitions set forth in RCW 82.24.010 shall apply to RCW
- 10 70.155.020 through 70.155.130. In addition, for the purposes of this
- 11 chapter, unless otherwise required by the context:
- 12 (1) "Board" means the Washington state liquor control board.
- 13 (2) "Minor" refers to an individual who is less than eighteen years 14 old.
- 15 (3) (("Public place" means a public street, sidewalk, or park, or
- 16 any area open to the public in a publicly owned and operated building.
- 17 (4) "Sample" means a tobacco product distributed to members of the
- 18 general public at no cost or at nominal cost for product promotion
- 19 purposes.

p. 1 SB 5249

- 1 (5) "Sampler" means a person engaged in the business of sampling 2 other than a retailer.
- 3 (6) "Sampling" means the distribution of samples to members of the 4 general public in a public place.
- 5 (7))) "Package" or "container" means a package or container that 6 holds twenty or more cigarettes.
- 7 (4) "Tobacco product" means a product that contains tobacco and is 8 intended for human consumption <u>and as further defined in RCW</u> 9 82.26.010(1).
- 10 **Sec. 2.** RCW 70.155.030 and 1994 c 202 s 1 are each amended to read 11 as follows:
- 12 (1) No person shall sell or permit to be sold any tobacco product through any device that mechanically dispenses tobacco products unless 13 14 the device is located fully within premises from which minors are 15 prohibited or in industrial worksites where minors are not employed and 16 not less than ten feet from all entrance or exit ways to and from each The board shall adopt rules that allow an exception to the 17 18 requirement that a device be located not less than ten feet from all 19 entrance or exit ways to and from a premise if it is architecturally impractical for the device to be located not less than ten feet from 20 21 all entrance and exit ways.
- 22 (2) Self-service displays of tobacco products are prohibited. All 23 tobacco products must be sold from behind the counter.
- 24 (3) All retail sales of cigarettes or chewing tobacco must be in25 person transactions in a retail store, except for vending machine sales
 26 at authorized locations as authorized in subsection (1) of this
 27 section. Mail order sales or deliveries of cigarettes or smokeless
 28 tobacco are prohibited.
- 29 (4) There shall be no poster, billboard, or other display
 30 advertisement of cigarettes or tobacco products in any wholly or
 31 partially state-owned or state-funded location. Further, there shall
 32 be no fixed outdoor tobacco advertising or promotion within a one-mile
 33 radius of all schools and playgrounds.
- 34 **Sec. 3.** RCW 70.155.040 and 1993 c 507 s 5 are each amended to read 35 as follows:
- 36 <u>(1)</u> No person shall sell or permit to be sold <u>single</u> cigarettes 37 ((not)). All cigarettes must be sold in ((the)) original, unopened

- 1 packages or containers to which the stamps required by RCW 82.24.060
- 2 have been affixed.
- 3 (2) This section does not apply to the sale of loose leaf tobacco
- 4 by a retail business that generates a minimum of sixty percent of
- 5 annual gross sales from the sale of tobacco products.
- 6 **Sec. 4.** RCW 70.155.050 and 1993 c 507 s 6 are each amended to read 7 as follows:
- 8 (1) No person may engage in the business of sampling <u>cigarettes or</u>
- 9 tobacco products within the state ((unless licensed to do so by the
- 10 board. If a firm contracts with a manufacturer to distribute samples
- 11 of the manufacturer's products, that firm is deemed to be the person
- 12 engaged in the business of sampling)).
- 13 (2) ((The board shall issue a license to a sampler not otherwise
- 14 disqualified by RCW 70.155.100 upon application and payment of the fee.
- 15 (3) A sampler's license expires on the thirtieth day of June of
- 16 each year and must be renewed annually upon payment of the appropriate
- 17 fee.
- 18 (4) The board shall annually determine the fee for a sampler's
- 19 license and each renewal. However, the fee for a manufacturer whose
- 20 employees distribute samples within the state is five hundred dollars
- 21 per annum, and the fee for all other samplers must be not less than
- 22 fifty dollars per annum.
- 23 (5) A sampler's license entitles the licensee, and employees or
- 24 agents of the licensee, to distribute samples at any lawful location in
- 25 the state during the term of the license. A person engaged in sampling
- 26 under the license shall carry the license or a copy at all times)) A
- 27 violation of this section is a misdemeanor.
- 28 **Sec. 5.** RCW 70.155.100 and 1993 c 507 s 11 are each amended to
- 29 read as follows:
- 30 (1) The liquor control board may suspend or revoke a retailer's
- 31 license held by a business at any location, or may impose a monetary
- 32 penalty as set forth in subsection (2) of this section, if the liquor
- 33 control board finds that the licensee has violated RCW
- 34 $26.28.080((\frac{4}{1}))$, or 70.155.020, 70.155.030, 70.155.040, $((\frac{70.155.050}{1})$
- 35 70.155.060,)) 70.155.070, or 70.155.090.
- 36 (2) The sanctions that the liquor control board may impose against
- 37 a person licensed under RCW 82.24.530 ((and 70.155.050 and 70.155.060))

p. 3 SB 5249

- 1 based upon one or more findings under subsection (1) of this section 2 may not be less than or exceed the following:
 - (a) For violation of RCW $26.28.080((\frac{4}{1}))$ or 70.155.020:

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- (i) A monetary penalty of <u>not less than</u> one hundred dollars <u>and not</u> more than two hundred fifty dollars for the first violation within any two-year period, however, the board may modify the penalty based on aggravating or mitigating circumstances;
- 8 (ii) A monetary penalty of <u>not less than</u> three hundred dollars <u>and</u>
 9 <u>not more than five hundred dollars</u> for the second violation within any
 10 two-year period;
- (iii) A monetary penalty of <u>not less than</u> one thousand dollars <u>and</u>
 not more than one thousand five hundred dollars and suspension of the
 license for a period of six months for the third violation within any
 two-year period;
- (iv) A monetary penalty of <u>not less than</u> one thousand five hundred dollars <u>and not more than two thousand five hundred dollars</u> and suspension of the license for a period of twelve months for the fourth violation within any two-year period;
- (v) Revocation of the license with no possibility of reinstatement for a period of five years for the fifth or more violation within any two-year period;
 - (b) For violations of RCW 70.155.030, a monetary penalty ((in the amount)) of not less than one hundred dollars and not more than two hundred fifty dollars for each day upon which such violation occurred;
- 25 (c) For violations of RCW 70.155.040 occurring on the licensed 26 premises:
- (i) A monetary penalty of <u>not less than</u> one hundred dollars <u>and not</u>
 more than two hundred fifty dollars for the first violation within any
 two-year period, however, the board may modify the penalty based on
 aggravating or mitigating circumstances;
- (ii) A monetary penalty of <u>not less than</u> three hundred dollars <u>and</u>
 not more than five hundred dollars for the second violation within any
 two-year period;
- (iii) A monetary penalty of <u>not less than</u> one thousand dollars <u>and</u>
 not more than one thousand five hundred dollars and suspension of the
 license for a period of six months for the third violation within any
 two-year period;
- (iv) A monetary penalty of <u>not less than</u> one thousand five hundred dollars <u>and not more than two thousand five hundred dollars</u> and

- 1 suspension of the license for a period of twelve months for the fourth 2 violation within any two-year period;
- 3 (v) Revocation of the license with no possibility of reinstatement 4 for a period of five years for the fifth or more violation within any 5 two-year period;
- 6 (d) For violations of RCW 70.155.050 ((and 70.155.060)), a monetary 7 penalty ((in the amount)) of not less than three hundred dollars and 8 not more than five hundred dollars for each violation;
- 9 (e) For violations of RCW 70.155.070, a monetary penalty ((in the 10 amount)) of not less than one thousand dollars and not more than two thousand five hundred dollars for each violation.
- 12 (3) The liquor control board may impose a monetary penalty upon any person other than a licensed ((cigarette)) tobacco retailer ((or licensed sampler)) if the liquor control board finds that the person has violated RCW 26.28.080((4+)), or 70.155.020, 70.155.030, 70.155.040, ((70.155.050, 70.155.060,)) 70.155.070, or 70.155.090.
- 17 (4) The monetary penalty that the liquor control board may impose 18 based upon one or more findings under subsection (3) of this section 19 may not exceed the following:
- 20 (a) For violation of RCW 26.28.080((\(\frac{44}{4}\)\)) or 70.155.020, not less
 21 than fifty dollars and not more than one hundred dollars for the first
 22 violation and not less than one hundred dollars and not more than two
 23 hundred fifty dollars for each subsequent violation;
- (b) For violations of RCW 70.155.030, <u>not less than</u> one hundred dollars <u>and not more than two hundred fifty dollars</u> for each day upon which such violation occurred;
- 27 (c) For violations of RCW 70.155.040, <u>not less than</u> one hundred 28 dollars and not more than two hundred fifty dollars for each violation;
- 29 (d) ((For violations of RCW 70.155.050 and 70.155.060, three 30 hundred dollars for each violation;
- (e))) For violations of RCW 70.155.070, <u>not less than</u> one thousand dollars <u>and not more than two thousand five hundred dollars</u> for each violation.
- (5) The liquor control board may impose sanctions against a person licensed under RCW 82.24.500 and 82.24.530 or this chapter for violations of rules strictly necessary to enforce this chapter and for which a statutory penalty is not proscribed in an amount of:
- 38 <u>(a) A monetary penalty of not less than one hundred dollars and not</u> 39 more than two hundred fifty dollars for the first violation within any

p. 5 SB 5249

- 1 two-year period, however, the board may modify the penalty based on 2 aggravating or mitigating circumstances;
- 3 (b) A monetary penalty of not less than three hundred dollars and 4 not more than five hundred dollars for the second violation within any 5 two-year period; and
- 6 (c) A monetary penalty of not less than one thousand dollars and
 7 not more than two thousand five hundred dollars or suspension of the
 8 license privilege for a period not to exceed one year, or both, for a
 9 third or any subsequent violation within any two-year period.
- 10 <u>(6)</u> The liquor control board may develop and offer a class for 11 retail clerks and use this class in lieu of a monetary penalty for the 12 clerk's first violation.
- (((6))) (7) The liquor control board may issue a cease and desist order to any person who is found by the liquor control board to have violated or intending to violate the provisions of this chapter, RCW 26.28.080(((4))) or 82.24.500, requiring such person to cease specified conduct that is in violation. The issuance of a cease and desist order shall not preclude the imposition of other sanctions authorized by this statute or any other provision of law.
- 20 $((\frac{7}{1}))$ (8) The liquor control board may seek injunctive relief to enforce the provisions of RCW $26.28.080((\frac{4}{1}))$ or 82.24.500 or this 21 22 chapter. The liquor control board may initiate legal action to collect 23 civil penalties imposed under this chapter if the same have not been paid within thirty days after imposition of such penalties. 24 25 action filed by the liquor control board under this chapter, the court 26 may, in addition to any other relief, award the liquor control board 27 reasonable attorneys' fees and costs.
- ((+8))) (9) All proceedings under subsections (1) through ((+6))) 29 (7) of this section shall be conducted in accordance with chapter 34.05 30 RCW.
- 31 **Sec. 6.** RCW 70.155.110 and 1993 c 507 s 12 are each amended to 32 read as follows:
- 33 (1) The liquor control board shall, in addition to the board's other powers and authorities, have the authority to enforce the provisions of this chapter and RCW 26.28.080((4+)) and 82.24.500. The liquor control board shall have full power to revoke or suspend the license of any retailer or wholesaler in accordance with the provisions of RCW 70.155.100.

- 1 (2) The liquor control board and the board's authorized agents or 2 employees shall have full power and authority to enter any place of 3 business where tobacco products are sold for the purpose of enforcing 4 the provisions of this chapter.
- (3) For the purpose of enforcing the provisions of this chapter and 5 RCW $26.28.080((\frac{4}{1}))$ and 82.24.500, a peace officer or enforcement 6 7 officer of the liquor control board who has reasonable grounds to 8 believe a person observed by the officer purchasing, attempting to 9 purchase, or in possession of tobacco products is under the age of 10 eighteen years of age, may detain such person for a reasonable period of time and in such a reasonable manner as is necessary to determine 11 the person's true identity and date of birth. 12 Further, tobacco products possessed by persons under the age of eighteen years of age 13 14 are considered contraband and may be seized by a peace officer or 15 enforcement officer of the liquor control board.
- 16 (4) The liquor control board may work with local county health 17 departments or districts and local law enforcement agencies to conduct 18 random, unannounced, inspections to assure compliance.
- 19 (5) The liquor control board is authorized under chapter ..., Laws
 20 of 1997 (this act) to adopt only those rules necessary to implement
 21 this chapter and RCW 26.28.080, 82.24.500, and 82.24.530 relating to
 22 the enforcement of provisions regarding distribution of tobacco
 23 products, especially relating to minors.
- 24 (6) No person may knowingly or willfully resist or oppose any
 25 state, county, or municipal peace officer, or liquor enforcement
 26 officer, in the discharge of his or her duties under this chapter, or
 27 aid and abet such resistance or opposition. A violation of this
 28 subsection is a misdemeanor.
- 29 **Sec. 7.** RCW 70.155.130 and 1993 c 507 s 14 are each amended to 30 read as follows:
- ((This chapter preempts political subdivisions from adopting or 31 32 enforcing requirements for the licensure and regulation of tobacco product promotions and sales within retail stores, except that 33 34 political subdivisions that have adopted ordinances prohibiting 35 sampling by January 1, 1993, may continue to enforce these ordinances. 36 No political subdivision may: (1) Impose fees or license requirements 37 on retail businesses for possessing or selling cigarettes or tobacco 38 products, other than general business taxes or license fees not

p. 7 SB 5249

- 1 primarily levied on tobacco products; or (2) regulate or prohibit
- 2 activities covered by RCW 70.155.020 through 70.155.080.)) This
- 3 chapter does not ((otherwise preempt political subdivisions from
- 4 adopting ordinances regulating the sale, purchase, use, or promotion of
- 5 tobacco products not inconsistent with chapter 507, Laws of 1993))
- 6 <u>supersede local regulation that is at least as restrictive as the</u>
- 7 provisions of this chapter.
- 8 Sec. 8. RCW 82.24.500 and 1986 c 321 s 4 are each amended to read 9 as follows:
- 10 (1) No person may engage in or conduct the business of purchasing,
- 11 selling, consigning, or distributing cigarettes or tobacco products in
- 12 this state without a license under this chapter.
- (2) Possession of cigarettes or tobacco products without a license
- 14 with intent to sell is a violation of this section.
- 15 (3) A person whose license has been suspended or revoked shall not
- 16 sell cigarettes or tobacco products or permit cigarettes or tobacco
- 17 products to be sold during the period of such suspension or revocation
- 18 <u>on the premises.</u>
- 19 (4) A violation of this section is a misdemeanor.
- 20 **Sec. 9.** RCW 82.24.550 and 1993 c 507 s 17 are each amended to read 21 as follows:
- 22 (1) The department of revenue shall enforce the provisions of this
- 23 chapter except RCW 82.24.500, which will be enforced by the liquor
- 24 control board. The department of revenue may adopt, amend, and repeal
- 25 rules necessary to enforce and administer the provisions of this
- 26 chapter. The department of revenue has full power and authority to
- 27 revoke or suspend the license or permit of any wholesale or retail
- 28 ((cigarette)) <u>tobacco</u> dealer in the state upon sufficient cause
- 29 appearing of the violation of this chapter or upon the failure of such
- 30 licensee to comply with any of the provisions of this chapter.
- 31 (2) A license shall not be suspended or revoked except upon notice
- 32 to the licensee and after a hearing as prescribed by the department of
- 33 revenue. The department of revenue, upon a finding by same, that the
- 34 licensee has failed to comply with any provision of this chapter or any
- 35 rule promulgated thereunder, shall, in the case of the first offender,
- 36 suspend the license or licenses of the licensee for a period of not
- 37 less than thirty consecutive business days, and, in the case of a

- second or plural offender, shall suspend the license or licenses for a period of not less than ninety consecutive business days nor more than twelve months, and, in the event the department of revenue finds the offender has been guilty of willful and persistent violations, it may revoke the license or licenses.
- 6 (3) Any person whose license or licenses have been so revoked may
 7 apply to the department of revenue at the expiration of one year for a
 8 reinstatement of the license or licenses. The license or licenses may
 9 be reinstated by the department of revenue if it appears to the
 10 satisfaction of the department of revenue that the licensee will comply
 11 with the provisions of this chapter and the rules promulgated
 12 thereunder.
 - (4) A person whose license has been suspended or revoked shall not sell cigarettes or tobacco products or permit cigarettes or tobacco products to be sold during the period of such suspension or revocation on the premises occupied by the person or upon other premises controlled by the person or others or in any other manner or form whatever.

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- 19 (5) Any determination and order by the department of revenue, and 20 any order of suspension or revocation by the department of revenue of the license or licenses, or refusal to reinstate a license or licenses 21 after revocation shall be reviewable by an appeal to the superior court 22 The superior court shall review the order or 23 of Thurston county. 24 ruling of the department of revenue and may hear the matter de novo, 25 having due regard to the provisions of this chapter and the duties 26 imposed upon the department of revenue.
- NEW SECTION. Sec. 10. A new section is added to chapter 70.155 28 RCW to read as follows:
- 29 No tobacco manufacturer, wholesaler, or agent thereof, may pay the 30 monetary penalty of a tobacco retailer licensed under Title 82 RCW, nor may a tobacco retailer licensed under Title 82 RCW accept moneys for 31 payment of a monetary penalty from a tobacco manufacturer, wholesaler, 32 or agent thereof. A violation of this section is a gross misdemeanor 33 punishable by a minimum fine of two thousand five hundred dollars for 34 the first offense and five thousand dollars for each offense 35 36 thereafter.

p. 9 SB 5249

- NEW SECTION. Sec. 11. The following acts or parts of acts are 2 each repealed:
- 3 (1) RCW 70.155.060 and 1993 c 507 s 7; and
- 4 (2) RCW 82.24.270 and 1996 c 149 s 9 & 1995 c 278 s 12.
- NEW SECTION. Sec. 12. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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