

---

SENATE BILL 6688

---

State of Washington 57th Legislature

2002 Regular Session

By Senators Prentice, Thibaudeau, Oke and Rasmussen

Read first time 01/26/2002. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to preventing cigarette stamps from being affixed  
2 to packages containing cigarettes manufactured by nonparticipating  
3 tobacco product manufacturers that are not making required escrow  
4 payments; and amending RCW 82.24.035.

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

6 **Sec. 1.** RCW 82.24.035 and 1999 c 193 s 5 are each amended to read  
7 as follows:

8 (1) No stamp may be affixed to, or made upon, any container or  
9 package of cigarettes if:

10 (a) The container or package differs in any respect with the  
11 requirements of the federal cigarette labeling and advertising act (15  
12 U.S.C. Sec. 1331 et seq.) for the placement of labels, warnings, or any  
13 other information upon a package of cigarettes that is to be sold  
14 within the United States;

15 (b) The container or package has been imported into the United  
16 States after January 1, 2000, in violation of 26 U.S.C. Sec. 5754;

17 (c) The container or package, including a container of individually  
18 stamped containers or packages, is labeled "For Export Only," "U.S. Tax  
19 Exempt," "For Use Outside U.S.," or similar wording indicating that the

1 manufacturer did not intend that the product be sold in the United  
2 States; or

3 (d) The container or package has been altered by adding or deleting  
4 the wording, labels, or warnings described in (a) or (c) of this  
5 subsection.

6 (2) No stamp may be affixed to, or made upon, any container or  
7 package of cigarettes and no tax may be paid under chapter 82.26 RCW on  
8 roll-your-own tobacco, unless the tobacco product manufacturer who  
9 makes or sells those cigarettes or roll-your-own tobacco has:

10 (a) Become a participating manufacturer as defined in RCW  
11 70.157.020(a); or

12 (b) Made all escrow payments required by RCW 70.157.020(b), as  
13 determined by the attorney general, pursuant to subsection (3) of this  
14 section.

15 (3) The attorney general shall annually, not later than May 15th of  
16 each year, post on the attorney general's web site and transmit to all  
17 wholesalers, retailers that affix stamps, and distributors that pay the  
18 tax under chapter 82.26 RCW, a list of tobacco product manufacturers  
19 determined by the attorney general to have made all escrow payments  
20 required by RCW 70.157.020(b). The department of revenue and the  
21 attorney general may require wholesalers, retailers, or distributors  
22 under chapter 82.26 RCW and nonparticipating tobacco product  
23 manufacturers to submit information the attorney general may determine  
24 is necessary to determine whether a nonparticipating manufacturer has  
25 made the escrow payments required by RCW 70.157.020(b). Any  
26 nonparticipating manufacturer excluded or removed from the list may  
27 challenge the decision of the attorney general within sixty days of any  
28 decision by the attorney general to exclude or remove a  
29 nonparticipating manufacturer from the list. The attorney general  
30 shall include the nonparticipating tobacco product manufacturer on the  
31 list provisionally, pending the conclusion of a hearing by the attorney  
32 general of the challenge and the attorney general's final decision, if  
33 the manufacturer posts a bond in an amount equal to the amount of the  
34 escrow payments that the attorney general has determined that RCW  
35 70.157.020(b) required the manufacturer to make with respect to  
36 cigarettes and roll-your-own tobacco sold during the period of the  
37 manufacturer's noncompliance as determined by the attorney general.  
38 Any final decision of the attorney general may be appealed in a court  
39 of competent jurisdiction.

1       (4) To promote compliance with RCW 70.157.020(b), the attorney  
2 general may require nonparticipating manufacturers to make the escrow  
3 payments required by RCW 70.157.020(b) in quarterly installments during  
4 the year in which the sales covered by the payments are made.

5       (5) The department of revenue and the attorney general may enter  
6 into a written agreement authorizing the exchange of information  
7 reasonably necessary to the enforcement and administration of  
8 subsections (2) and (3) of this section.

9       (6) In addition to the penalty and forfeiture provisions otherwise  
10 provided for in this chapter, a violation of this section is a  
11 deceptive act or practice under the consumer protection act, chapter  
12 19.86 RCW.

--- END ---