S-4013.4			

## SUBSTITUTE SENATE BILL 6164

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State of Washington 59th Legislature 2006 Regular Session

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Oke and Rockefeller)

READ FIRST TIME 02/03/06.

- 1 AN ACT Relating to fire safety for cigarettes; reenacting and
- 2 amending RCW 43.79A.040; adding a new chapter to Title 19 RCW;
- 3 prescribing penalties; and providing an effective date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The definitions in this section apply 6 throughout this chapter unless the context requires otherwise.
- 7 (1) "Cigarette" means a product that contains nicotine, is intended 8 to be burned or heated under ordinary conditions of use, and consists 9 of or contains:
- 10 (a) A roll of tobacco wrapped in paper or in any substance not 11 containing tobacco;
- 12 (b) Tobacco, in any form, that is functional in the product and 13 that, because of its appearance, the type of tobacco used in the 14 filler, or its packaging and labeling, is likely to be offered to or 15 purchased by consumers as a cigarette; or
- 16 (c) Any roll of tobacco that is wrapped in a substance containing 17 tobacco and that, because of its appearance, the type of tobacco used 18 in the filler, or its packaging and labeling, is likely to be offered

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to or purchased by consumers as a cigarette described in (a) of this subsection.

- (2) "Distribute" means to do any of the following:
- (a) Sell cigarettes or deliver cigarettes for sale by another person to consumers;
- (b) Receive or retain more than one hundred ninety-nine cigarettes at a place of business where the person receiving or retaining the cigarettes customarily sells cigarettes or offers cigarettes for sale to consumers;
  - (c) Place cigarettes in vending machines;

- (d) Sell or accept orders for cigarettes that are to be transported from a point outside this state to a consumer within this state; or
- (e) Buy cigarettes directly from a manufacturer or wholesaler for resale in this state.
  - (3) "Fire-safe cigarette" means a reduced ignition strength cigarette of a variety declared to be fire safe by the state director of fire protection under section 2 of this act.
- 18 (4) "Variety" means a type of cigarette marketed by the 19 manufacturer as being distinct from other types of cigarettes on the 20 basis of brand name, length, filter, wrapping, flavoring, or other 21 characteristics as the state director of fire protection may provide by 22 rule.
  - NEW SECTION. Sec. 2. (1) The state director of fire protection shall determine for each variety of cigarette sold or proposed for sale in this state whether that variety of cigarette is fire safe. The state director of fire protection may make the determination by conducting ignition propensity strength testing or by accepting the results of ignition propensity strength testing conducted by any source the state director of fire protection recognizes as reliable.
  - (2) Except as provided in this subsection, ignition propensity strength testing conducted or relied upon under subsection (1) of this section must be performed using the Standard Test Method for Measuring the Ignition Strength of Cigarettes, E2187-04, developed by ASTM International. The state director of fire protection may conduct or rely upon an ignition propensity strength testing method developed by ASTM International as a modification or replacement of the method designated by this subsection if the state director of fire protection,

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by rule, deems the modified or replacement method acceptable. The conducted or relied upon testing must be conducted on ten layers of filter paper. The state director of fire protection shall declare a cigarette variety to be fire safe if not more than twenty-five percent of the cigarettes tested burned along the full length of the tobacco portion of the cigarette when subjected to ignition propensity strength testing.

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- (3) The state director of fire protection shall issue, keep current, and make available to the public a list of the cigarette varieties determined by the state director of fire protection to be fire safe.
- 12 (4) The state director of fire protection, by rule or upon 13 application, may approve cigarette package or carton markings, 14 stickers, labeling, or other devices that identify a cigarette variety 15 as fire safe.
  - (5) The state director of fire protection may enter into a cooperative agreement with any state or local agency that allows the agency to act as an authorized representative of the state director of fire protection for enforcement purposes under subsection (4) of this section.
- NEW SECTION. Sec. 3. (1) A person may not distribute or offer to sell a cigarette within this state unless the cigarette is of a variety the state director of fire protection has listed as fire safe under section 2 of this act.
  - (a) Distributors, wholesalers, and retailers may sell their current inventory of cigarettes if they can demonstrate that the inventory was purchased prior to August 1, 2007, in comparable quantity to the inventory purchased during the same period of 2006.
  - (b) This subsection does not apply to distribution of, or an offer to sell, cigarettes exempted from state taxation.
    - (2) A cigarette package or carton may not bear markings, stickers, labeling, or other devices identifying cigarettes contained in the package or carton as fire-safe cigarettes unless the cigarettes are of a variety the state director of fire protection has listed as fire safe under section 2 of this act. This subsection does not apply if the cigarettes are in interstate commerce and not intended for distribution in this state.

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(3) The state director of fire protection, an authorized representative of the state director of fire protection, or any law enforcement agency may immediately seize and subject to forfeiture any cigarettes distributed or offered for sale in violation of subsection (1) of this section and any cigarettes contained in packages or cartons bearing markings, stickers, labeling, or other devices in violation of subsection (2) of this section. The state director of fire protection shall destroy cigarettes seized and forfeited under this subsection.

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- (4) The state director of fire protection may enter into a cooperative agreement with any state or local agency that allows the agency to act as an authorized representative of the state director of fire protection for enforcement purposes under subsection (3) of this section.
- NEW SECTION. Sec. 4. The state director of fire protection may impose a civil penalty for a violation of section 3(1) of this act. The civil penalty may not exceed:
  - (1) For a person who distributes or offers to sell cigarettes to a wholesaler or retailer, ten thousand dollars or five times the value of the cigarettes involved in the violation, whichever is greater; or
- 20 (2) For a person who distributes or offers to sell cigarettes to 21 the public:
- 22 (a) For a distribution or offer of not more than one thousand 23 cigarettes, five hundred dollars; and
- 24 (b) For a distribution or offer of more than one thousand 25 cigarettes, one thousand dollars or five times the retail value of the 26 cigarettes involved in the violation, whichever is greater.
- NEW SECTION. Sec. 5. Any person who distributes or sells cigarettes in violation of this chapter and is aggrieved by an order issued for that violation by the state director of fire protection may, within thirty days after notice of the order, appeal under chapter 34.05 RCW.
- NEW SECTION. Sec. 6. An action may be brought by the attorney general, at the request of the state director of fire protection, in the name of the state, to recover civil penalties imposed under section 4 of this act.

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- <u>NEW SECTION.</u> **Sec. 7.** (1) Notwithstanding section 2 of this act, 1 2 the state director of fire protection, without conducting testing under section 2 of this act, shall include in the fire-safe cigarette list 3 published by the state director of fire protection cigarettes of a 4 5 variety sold in this state that were certified prior to the effective date of this act by the office of fire prevention and control, 6 7 department of state, New York state, or a successor to that office, as complying with cigarette fire safety performance standards required for 8 9 cigarettes sold in New York state after June 28, 2004.
- 10 (2) The state director of fire protection shall publish an initial 11 list of cigarette varieties declared to be fire safe under section 2 of 12 this act no later than twenty days after the effective date of this 13 act.
- NEW SECTION. Sec. 8. (1) Section 3(2) of this act is applicable September 1, 2007.
- 16 (2)(a) Section 4(1) of this act applies only to violations 17 occurring on or after September 1, 2007.
- 18 (b) Section 4(2) of this act applies only to violations occurring 19 on or after August 1, 2007.
- 20 NEW SECTION. Sec. 9. The cigarette fire safety account is created in the custody of the state treasurer. All receipts from the 21 22 imposition of civil penalties under section 4 of this act must be 23 deposited into the account. Expenditures from the account may be used only for fire safety, enforcement, fire prevention programs, and for 24 25 the operation of the program. Only the state director of fire protection or the director's designee may authorize expenditures from 26 The account is subject to allotment procedures under 27 28 chapter 43.88 RCW, but an appropriation is not required for 29 expenditures.
- 30 **Sec. 10.** RCW 43.79A.040 and 2005 c 424 s 18, 2005 c 402 s 8, 2005 c 215 s 10, and 2005 c 16 s 2 are each reenacted and amended to read as follows:
- 33 (1) Money in the treasurer's trust fund may be deposited, invested, 34 and reinvested by the state treasurer in accordance with RCW 43.84.080

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in the same manner and to the same extent as if the money were in the state treasury.

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- (2) All income received from investment of the treasurer's trust fund shall be set aside in an account in the treasury trust fund to be known as the investment income account.
- (3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4)(a) Monthly, the state treasurer shall distribute the earnings credited to the investment income account to the state general fund except under (b) and (c) of this subsection.
- The following accounts and funds shall receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The Washington promise scholarship account, the college savings program account, the Washington advanced college tuition payment program account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the students with dependents grant account, the basic health plan self-insurance reserve account, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the Washington international exchange scholarship endowment fund, the developmental disabilities endowment trust fund, the energy account, the fair fund, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the grain inspection revolving fund, the juvenile accountability incentive account, the law enforcement officers' and fire fighters' plan 2 expense fund, the local tourism promotion account, the produce railcar pool account, the rural rehabilitation account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the sulfur dioxide abatement account, the children's trust fund, the Washington horse racing commission

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Washington bred owners' bonus fund account, the Washington horse racing 1 2 commission class C purse fund account, the individual development account program account, the Washington horse racing commission 3 operating account (earnings from the Washington horse racing commission 4 operating account must be credited to the Washington horse racing 5 commission class C purse fund account), the cigarette fire safety 6 account, and the life sciences discovery fund. However, the earnings 7 to be distributed shall first be reduced by the allocation to the state 8 treasurer's service fund pursuant to RCW 43.08.190. 9

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- (c) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right of way revolving fund, the advanced environmental mitigation revolving account, the city and county advance right-of-way revolving fund, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.
- (5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.
- NEW SECTION. Sec. 11. This act takes effect August 1, 2007.
- NEW SECTION. Sec. 12. Sections 1 through 9 and 11 of this act constitute a new chapter in Title 19 RCW.

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