SENATE BILL 6328

State of Washington 64th Legislature 2016 Regular Session

By Senators Dammeier, Hasegawa, Conway, O'Ban, Becker, and Carlyle Read first time 01/15/16. Referred to Committee on Health Care.

AN ACT Relating to vapor products in respect to provisions 1 2 concerning certain child-resistant packaging, definitions related to 3 "vapor product," signage requirements prohibiting vapor product sales to minors, prohibition of the purchase and possession of vapor 4 5 products by minors, the liquor and cannabis board's enforcement authority over vapor products, preemption of certain local regulation 6 7 of vapor products, and a requirement for vendor-assisted sales of 8 vapor products in retail establishments; amending RCW 26.28.080 and 70.155.130; adding a new chapter to Title 70 RCW; prescribing 9 penalties; providing a contingent effective date; and providing a 10 11 contingent expiration date.

- 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 13 **Sec. 1.** RCW 26.28.080 and 2013 c 47 s 1 are each amended to read 14 as follows:
- (1) Every person who sells or gives, or permits to be sold or given, to any person under the age of eighteen years any cigar, cigarette, cigarette paper or wrapper, tobacco in any form, or a vapor product is guilty of a gross misdemeanor.
- 19 (2) It ((shall be no)) is not a defense to a prosecution for a 20 violation of this section that the person acted, or was believed by 21 the defendant to act, as agent or representative of another.

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(3) For the purposes of this section, "vapor product" ((means a noncombustible tobacco-derived product containing nicotine that employs a mechanical heating element, battery, or circuit, regardless of shape or size, that can be used to heat a liquid nicotine solution contained in cartridges. Vapor product does not include any product that is regulated by the United States food and drug administration under chapter V of the federal food, drug, and cosmetic)) has the same meaning as provided in section 3 of this act.

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- 9 **Sec. 2.** RCW 70.155.130 and 1993 c 507 s 14 are each amended to 10 read as follows:
- 11 This chapter and chapter 70.--- RCW (the new chapter created in 12 section 18 of this act) preempt((s)) political subdivisions from 13 adopting or enforcing requirements for the licensure and regulation of tobacco <u>and vapor</u> product promotions and sales ((within retail 14 15 stores)) at retail, except that political subdivisions that have 16 adopted ordinances prohibiting sampling by January 1, 1993, may 17 continue to enforce these ordinances. No political subdivision may: 18 (1) Impose fees or license requirements on retail businesses for 19 possessing or selling cigarettes ((or)), tobacco, or vapor products, 20 other than general business taxes or license fees not primarily levied on ((tobacco)) such products; or (2) regulate or prohibit 21 activities covered by RCW 70.155.020 through 70.155.080 or chapter 22 70.--- RCW (the new chapter created in section 18 of this act). This 23 24 chapter does not otherwise preempt political subdivisions from 25 adopting ordinances regulating the sale, purchase, use, or promotion 26 of tobacco products not inconsistent with chapter 507, Laws of 1993.
- NEW SECTION. Sec. 3. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Board" means the Washington state liquor and cannabis board.
- 31 (2) "Business" means any trade, occupation, activity, or 32 enterprise engaged in for the purpose of selling or distributing 33 vapor products in this state.
- 34 (3) "Child care facility" has the same meaning as provided in RCW 35 70.140.020.
- 36 (4) "Delivery sale" means any sale of a vapor product to a 37 purchaser in this state where either:

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(a) The purchaser submits the order for such sale by means of a telephonic or other method of voice transmission, the mails or any other delivery service, or the internet or other online service; or

- (b) The vapor product is delivered by use of the mails or of a delivery service. The foregoing sales of vapor products constitute a delivery sale regardless of whether the seller is located within or without this state. "Delivery sale" does not include a sale of any vapor product not for personal consumption to a retailer.
 - (5) "Delivery seller" means a person who makes delivery sales.
- (6) "Liquid nicotine container" means a bottle or other container of a liquid or other substance containing nicotine where the liquid or substance is sold, marketed, or intended for use in a vapor product. A "liquid nicotine container" does not include a liquid or other substance containing nicotine in a cartridge that is sold, marketed, or intended for use in a vapor product, provided that such cartridge is prefilled and sealed by the manufacturer, and not intended to be opened by the consumer.
- (7) "Manufacturer" means a person who manufactures and sells vapor products.
- 20 (8) "Minor" refers to an individual who is less than eighteen 21 years old.
 - (9) "Person" means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, the state and its departments and institutions, political subdivision of the state of Washington, corporation, limited liability company, association, society, any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise.
- 30 (10) "Place of business" means any place where vapor products are 31 sold or where vapor products are manufactured, stored, or kept for 32 the purpose of sale.
 - (11) "Playground" means any public improved area designed, equipped, and set aside for play of six or more children which is not intended for use as an athletic playing field or athletic court, including but not limited to any play equipment, surfacing, fencing, signs, internal pathways, internal land forms, vegetation, and related structures.
- 39 (12) "Retail outlet" means each place of business from which 40 vapor products are sold to consumers.

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- 1 (13) "Retailer" means any person engaged in the business of 2 selling vapor products to ultimate consumers.
- 3 (14)(a) "Sale" means any transfer, exchange, or barter, in any 4 manner or by any means whatsoever, for a consideration, and includes 5 and means all sales made by any person.
 - (b) The term "sale" includes a gift by a person engaged in the business of selling vapor products, for advertising, promoting, or as a means of evading the provisions of this chapter.

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- (15) "School" has the same meaning as provided in RCW 70.140.020.
- (16) "Self-service display" means a display that contains vapor products and is located in an area that is openly accessible to customers and from which customers can readily access such products without the assistance of a salesperson. A display case that holds vapor products behind locked doors does not constitute a self-service display.
- 16 (17) "Vapor product" means any noncombustible product that may 17 contain nicotine and that employs a heating element, power source, 18 electronic circuit, or other electronic, chemical, or mechanical 19 means, regardless of shape or size, that can be used to produce vapor from a solution or other substance. "Vapor product" includes any 20 21 electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device and any vapor cartridge 22 or other container that may contain nicotine in a solution or other 23 form that is intended to be used with or in an electronic cigarette, 24 25 electronic cigar, electronic cigarillo, electronic pipe, or similar 26 product or device. "Vapor product" does not include any product regulated as a drug or device by the United States food and drug 27 28 administration under chapter V of the federal food, drug, and 29 cosmetic act.
- NEW SECTION. Sec. 4. RETAILER'S LICENSES REQUIRED. (1)(a) No person may engage in or conduct business as a retailer in this state after the effective date of this section, without a valid license issued under this chapter.
- 34 (b) A violation of this subsection (1) is punishable as a class C 35 felony according to chapter 9A.20 RCW.
- 36 (2)(a) No person engaged in or conducting business as a retailer 37 in this state may:
- 38 (i) Refuse to allow the board, on demand, to make a full 39 inspection of any place of business where any of the vapor products

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licensed under this chapter are sold, stored, or handled, or
otherwise hinder or prevent such inspection; or

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- (ii) Make, use, or present or exhibit to the board any invoice for any of the vapor products licensed under this chapter that bears an untrue date or falsely states the nature or quantity of the goods invoiced.
 - (b) A violation of this subsection (2) is a gross misdemeanor.
- 8 (3) The penalties provided in this section are in addition to any 9 other penalties provided by law for violating the provisions of this 10 chapter.
- 11 NEW SECTION. Sec. 5. LICENSE APPLICATION, APPROVAL, AND 12 DISPLAY. (1) Application for a retailer's license must be made 13 through the business licensing system under chapter 19.02 RCW. Applications must be made on a form prescribed by the board. Upon 14 15 receipt of a complete application for a retailer's license and the 16 license fee required by this chapter, the board must issue the 17 license.
- 18 (2) Each license issued under this chapter expires on the 19 business license expiration date. The license must be continued 20 annually if the licensee has paid the required fee and complied with 21 all the provisions of this chapter.
- 22 (3) Each license and any other evidence of the license required 23 under this chapter must be exhibited in each place of business for 24 which it is issued and in the manner required for the display of a 25 business license.
- NEW SECTION. Sec. 6. LICENSE FEES. (1) A fee of ninety-three dollars must accompany each retailer's license application or license renewal application. A separate license is required for each separate location at which the retailer operates, except that delivery sellers need only obtain a license for their principal place of business.
 - (2) The fee imposed under subsection (1) of this section does not apply to any person applying for a retailer's license or for renewal of a retailer's license if the person has a valid retailer's license under RCW 82.24.510 or 82.26.150 for the place of business associated with the retailer's license application or renewal application.

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NEW SECTION. Sec. 7. ENFORCEMENT--LICENSE SUSPENSION, REVOCATION. (1) The board, or its enforcement officers, has the authority to enforce provisions of this chapter.

- (2) The board may revoke or suspend a retailer's license issued under this chapter upon sufficient cause showing a violation of this chapter.
- (3) A license may not be suspended or revoked except upon notice to the licensee and after a hearing as prescribed by the board. The board, upon finding that the licensee has failed to comply with any provision of this chapter, may, in the case of the first offense, suspend the license or licenses of the licensee for a period of not less than thirty consecutive business days, and in the case of a second or further offense, suspend the license or licenses for a period of not less than ninety consecutive business days but not more than twelve months, and in the event the board finds the licensee has been guilty of willful and persistent violations, it may revoke the license or licenses.
- (4) Any retailer's licenses issued under chapter 82.24 or 82.26 RCW to a person whose license or licenses have been suspended or revoked under this section must also be suspended or revoked during the period of suspension or revocation under this section.
- (5) Any person whose license or licenses have been revoked under this section may reapply to the board at the expiration of one year of the license or licenses. The license or licenses may be approved by the board if it appears to the satisfaction of the board that the licensee will comply with the provisions of this chapter.
- (6) A person whose license has been suspended or revoked may not sell vapor products or permit vapor products to be sold during the period of 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.
- (7) Any determination and order by the board, and any order of suspension or revocation by the board of the license or licenses issued under this chapter, or refusal to reinstate a license or licenses after revocation is reviewable by an appeal to the superior court of Thurston county. The superior court must review the order or ruling of the board and may hear the matter de novo, having due regard to the provisions of this chapter and the duties imposed upon the board.

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- 1 (8) If the board makes an initial decision to deny a license or 2 renewal, or suspend or revoke a license, the applicant may request a 3 hearing subject to the applicable provisions under Title 34 RCW.
- MEW SECTION. Sec. 8. SIGNAGE. A person who holds a license issued under this chapter must display a sign concerning the prohibition of vapor product sales to minors. Such sign must:
- 7 (1) Be posted so that it is clearly visible to anyone purchasing 8 vapor products from the licensee;
 - (2) Be designed and produced by the department of health to read:
 "The sale of vapor products to persons under age 18 is strictly prohibited by state law. If you are under 18, you could be penalized for purchasing a vapor product; photo id required"; and
- 13 (3) Be provided free of charge by the board.

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- NEW SECTION. Sec. 9. PURCHASING, POSSESSING BY PERSONS UNDER EIGHTEEN--CIVIL INFRACTION--JURISDICTION. (1) A person under the age of eighteen who purchases or attempts to purchase, possesses, or obtains or attempts to obtain vapor products commits a class 3 civil infraction under chapter 7.80 RCW and is subject to a fine as set out in chapter 7.80 RCW or participation in up to four hours of community restitution, or both. The court may also require participation in a smoking cessation program. This provision does not apply if a person under the age of eighteen, with parental authorization, is participating in a controlled purchase as part of a board, law enforcement, or local health department activity.
- 25 (2) Municipal and district courts within the state have 26 jurisdiction for enforcement of this section.
- NEW SECTION. Sec. 10. AGE IDENTIFICATION REQUIREMENT. (1) When 27 there may be a question of a person's right to purchase or obtain 28 vapor products by reason of age, the retailer or agent thereof, must 29 require the purchaser to present any one of the following officially 30 issued forms of identification that shows the purchaser's age and 31 32 bears his or her signature and photograph: (a) Liquor control 33 authority card of identification of a state or province of Canada; (b) driver's license, instruction permit, or identification card of a 34 state or province of Canada; (c) "identicard" 35 issued by the 36 Washington state department of licensing under chapter 46.20 RCW; (d) United States military identification; (e) passport; (f) enrollment 37

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- 1 card, issued by the governing authority of a federally recognized Indian tribe located in Washington, that incorporates security 2 features comparable to those implemented by the department of 3 licensing for Washington drivers' licenses. At least ninety days 4 prior to implementation of an enrollment card under this subsection, 5 б the appropriate tribal authority must give notice to the board. The 7 board must publish and communicate to licensees regarding the implementation of each new enrollment card; or (g) merchant marine 8 identification card issued by the United States coast guard.
- 10 (2) It is a defense to a prosecution under RCW 26.28.080 that the 11 person making a sale reasonably relied on any of the officially 12 issued identification as defined in subsection (1) of this section. The board must waive the suspension or revocation of a license if the 13 14 licensee clearly establishes that he or she acted in good faith to prevent violations and a violation occurred despite the licensee's 15 16 exercise of due diligence.

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- 17 NEW SECTION. Sec. 11. VENDOR-ASSISTED SALES REQUIREMENT. (1) It 18 is unlawful to sell or distribute vapor products at a retail establishment in this state by any means other than vendor-assisted 19 sales where the customer has no direct access to the product except 20 21 through the assistance of the seller.
- (2) It is unlawful to sell or distribute vapor products from 22 self-service displays. 23
 - (3) Retail establishments are exempt from subsections (1) and (2) of this section if minors are not allowed in the store and such prohibition is posted clearly on all entrances.
 - (4) Subsections (1) and (2) of this section do not apply to delivery sales of vapor products if the delivery seller meets the age verification requirements set forth in subsection (5) of this section.
 - (5) No person may mail, ship, or otherwise cause to be delivered any vapor product in connection with a delivery sale unless prior to its sale to the purchaser, the person verifies that the purchaser is at least eighteen years of age through a commercially available database, or aggregate of databases, that is regularly used by government and businesses for the purpose of age and identity verification.

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- 1 <u>NEW SECTION.</u> **Sec. 12.** CHILD-RESISTANT PACKAGING REQUIREMENT.
- 2 (1) Any liquid nicotine container that is sold at retail in this
- 3 state must satisfy the child-resistant effectiveness standards set
- 4 forth in 16 C.F.R. Sec. 1700.15(b), as in effect on the effective
- 5 date of this section, when tested in accordance with the method
- 6 described in 16 C.F.R. Sec. 1700.20, as in effect on the effective
- 7 date of this section.
- 8 (2) Any person that engages in retail sales of liquid nicotine 9 containers in violation of this section is guilty of a gross
- 10 misdemeanor.
- 11 (3)(a) This section expires on the effective date of the final
- 12 regulations issued by the United States food and drug administration
- 13 or by any other federal agency, when such regulations mandate child-
- 14 resistant effectiveness standards for liquid nicotine containers.
- 15 (b) The board must provide notice of the expiration date of this
- 16 section to affected parties, the chief clerk of the house of
- 17 representatives, the secretary of the senate, the office of the code
- 18 reviser, and others as deemed appropriate by the board.
- 19 <u>NEW SECTION.</u> **Sec. 13.** USE OF VAPOR PRODUCTS IN CERTAIN PUBLIC
- 20 PLACES. (1) Indoor areas. The use of vapor products is prohibited in
- 21 the following indoor areas:
- 22 (a) Inside a child care facility, provided that a child care
- 23 facility that is home-based is excluded from this paragraph when
- 24 children enrolled in such child care facility are not present;
- 25 (b) Schools; and
- 26 (c) Elevators.
- 27 (2) Outdoor areas. The use of vapor products is prohibited in the
- 28 following outdoor areas:
- 29 (a) Real property that is under the control of a child care
- 30 facility and upon which the child care facility is located, provided
- 31 that a child care facility that is home-based is excluded from this
- 32 paragraph when children enrolled in such child care facility are not
- 33 present;
- 34 (b) Real property that is under the control of a school and upon
- 35 which the school is located; and
- 36 (c) Playgrounds, during the hours between sunrise and sunset,
- 37 when one or more persons under twelve years of age are present at
- 38 such playground.

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NEW SECTION. Sec. 14. PENALTIES, SANCTIONS, AND ACTIONS AGAINST LICENSEES. (1) The board may impose a monetary penalty as set forth in subsection (2) of this section, if the board finds that the licensee has violated RCW 26.28.080 or any other provision of this chapter.

- (2) The sanctions that the board may impose against a person licensed under this chapter based upon one or more findings under subsection (1) of this section may not exceed the following:
- 9 (a) A monetary penalty of one hundred dollars for the first 10 violation within any two-year period;
- 11 (b) A monetary penalty of three hundred dollars for the second 12 violation within any two-year period;
 - (c) A monetary penalty of one thousand dollars for the third violation within any two-year period; and
- 15 (d) A monetary penalty of one thousand five hundred dollars for 16 the fourth or subsequent violation within any two-year period.
 - (3) The board may impose a monetary penalty upon any person other than a licensed retailer if the board finds that the person has violated RCW 26.28.080.
 - (4) The monetary penalty that the board may impose based upon one or more findings under subsection (3) of this section may not exceed fifty dollars for the first violation and one hundred dollars for each subsequent violation.
 - (5) The board may develop and offer a class for retail clerks and use this class in lieu of a monetary penalty for the clerk's first violation.
 - (6) The board may issue a cease and desist order to any person who is found by the board to have violated or intending to violate the provisions of this chapter or RCW 26.28.080, requiring such person to cease specified conduct that is in violation. The issuance of a cease and desist order does not preclude the imposition of other sanctions authorized by this statute or any other provision of law.
 - (7) The board may seek injunctive relief to enforce the provisions of RCW 26.28.080 or this chapter. The board may initiate legal action to collect civil penalties imposed under this chapter if the same have not been paid within thirty days after imposition of such penalties. In any action filed by the board under this chapter, the court may, in addition to any other relief, award the board reasonable attorneys' fees and costs.

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1 (8) All proceedings under subsections (1) through (6) of this 2 section must be conducted in accordance with chapter 34.05 RCW.

- (9) The board may reduce or waive either the penalties or the suspension or revocation of a license, or both, as set forth in this chapter where the elements of proof are inadequate or where there are mitigating circumstances. Mitigating circumstances may include, but are not limited to, an exercise of due diligence by a retailer. Further, the board may exceed penalties set forth in this chapter based on aggravating circumstances.
- NEW SECTION. Sec. 15. LIQUOR AND CANNABIS BOARD AUTHORITY. (1)
 The board must have, in addition to the board's other powers and
 authorities, the authority to enforce the provisions of this chapter.
 - (2) The board and the board's authorized agents or employees have full power and authority to enter any place of business where vapor products are sold for the purpose of enforcing the provisions of this chapter.
 - (3) For the purpose of enforcing the provisions of this chapter, a peace officer or enforcement officer of the board who has reasonable grounds to believe a person observed by the officer purchasing, attempting to purchase, or in possession of vapor products is under 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 the person's true identity and date of birth. Further, vapor products possessed by persons under eighteen years of age are considered contraband and may be seized by a peace officer or enforcement officer of the board.
- 27 (4) The board may work with local county health departments or 28 districts and local law enforcement agencies to conduct random, 29 unannounced, inspections to assure compliance.
- 30 <u>NEW SECTION.</u> **Sec. 16.** YOUTH TOBACCO PREVENTION ACCOUNT--SOURCE
 31 AND USE OF FUNDS. All fees collected pursuant to this chapter and
 32 funds collected by the board from the imposition of monetary
 33 penalties must be deposited into the youth tobacco prevention account
 34 created by RCW 70.155.120, except that ten percent of all such fees
 35 and penalties must be deposited in the state general fund.
- NEW SECTION. Sec. 17. SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid,

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- the remainder of the act or the application of the provision to other 1
- 2 persons or circumstances is not affected.
- NEW SECTION. Sec. 18. NEW CHAPTER CREATION. Sections 3 through 3
- 16 of this act constitute a new chapter in Title 70 RCW. 4
- 5 NEW SECTION. Sec. 19. EFFECTIVE DATE. (1) Sections 4 through 6 of this act take effect thirty days after the Washington state liquor б and cannabis board prescribes the form for an application for a 7
- license required under section 5 of this act. 8

9 (2) The Washington state liquor and cannabis board must provide written notice of the effective date of sections 4 through 6 of this 10 act to affected parties, the chief clerk of the house of 11 12 representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department.

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