# CERTIFICATION OF ENROLLMENT

### ENGROSSED SENATE BILL 5048

Chapter 14, Laws of 2006

59th Legislature 2006 Regular Session

TOBACCO SAMPLING

EFFECTIVE DATE: 6/7/06

Passed by the Senate February 14, 2006 YEAS 39 NAYS 6

#### BRAD OWEN

## President of the Senate

Passed by the House March 3, 2006 YEAS 73 NAYS 25

### FRANK CHOPP

# Speaker of the House of Representatives

Approved March 9, 2006.

on the dates hereon set forth.

FILED

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is  ${\tt ENGROSSED}$   ${\tt SENATE}$ 

BILL 5048 as passed by the Senate and the House of Representatives

THOMAS HOEMANN

March 9, 2006 - 1:15 p.m.

Secretary

CHRISTINE GREGOIRE

Governor of the State of Washington

Secretary of State State of Washington

#### ENGROSSED SENATE BILL 5048

Passed Legislature - 2006 Regular Session

#### State of Washington 59th Legislature 2006 Regular Session

By Senators Oke, Brown, Keiser, Swecker, Kline, Morton, Rockefeller, Finkbeiner, McAuliffe, Deccio, Thibaudeau, Sheldon, Berkey, Spanel, Eide, Doumit, Regala, Kohl-Welles, Jacobsen, Franklin, Haugen, Fraser, Kastama and Weinstein

Read first time 01/12/2005. Referred to Committee on Labor, Commerce, Research & Development.

AN ACT Relating to protecting the health of minors by prohibiting 1 2 tobacco product sampling; amending RCW 70.155.010, 70.155.050, 3

70.155.090, 70.155.100, 82.24.120, and 82.24.230; creating a new

section; repealing RCW 70.155.060 and 82.24.270; and prescribing

5 penalties.

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#### 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. The legislature recognizes that tobacco use NEW SECTION. among children is a serious and preventable health problem. Every day sixty-five more children in Washington state become smokers, and every year more than eight thousand two hundred state residents die from The legislature further finds that tobacco tobacco-related illnesses. samples contribute to children's access to tobacco products by providing a no-cost initiation that encourages minors to experiment with nicotine at early ages. Sampling activity often occurs in venues frequented by minors, and tobacco samples are distributed along with other promotional items that contain tobacco brand logos, increasing the appeal of the tobacco products as well as the chances that children will obtain them. Sampling events in this state have increased twenty-fold over the past nine years, and nationwide, tobacco

- 1 industry spending on samples has increased significantly. It is
- 2 therefore the intent of the legislature to protect minors from the
- 3 influence of tobacco sampling by eliminating the distribution of
- 4 samples in this state.

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5 **Sec. 2.** RCW 70.155.010 and 2003 c 113 s 1 are each amended to read 6 as follows:

7 The definitions set forth in RCW 82.24.010 shall apply to RCW 80.155.020 through 70.155.130. In addition, for the purposes of this chapter, unless otherwise required by the context:

- (1) "Board" means the Washington state liquor control board.
- (2) "Delivery sale" means any sale of cigarettes to a consumer in the state where either: (a) The purchaser submits an order for a sale by means of a telephonic or other method of voice transmission, mail delivery, any other delivery service, or the internet or other on-line service; or (b) the cigarettes are delivered by use of mail delivery or any other delivery service. A sale of cigarettes shall be a delivery sale regardless of whether the seller is located within or without the state. A sale of cigarettes not for personal consumption to a person who is a wholesaler licensed pursuant to chapter 82.24 RCW or a retailer pursuant to chapter 82.24 RCW is not a delivery sale.
- (3) "Delivery service" means any private carrier engaged in the commercial delivery of letters, packages, or other containers that requires the recipient of that letter, package, or container to sign to accept delivery.
- (4) "Minor" refers to an individual who is less than eighteen years old.
  - (5) (("Public place" means a public street, sidewalk, or park, or any area open to the public in a publicly owned and operated building.
- 29 (6)) "Sample" means a tobacco product distributed to members of 30 the general public at no cost or at nominal cost for product promotion 31 purposes.
- 32 (((7) "Sampler" means a person engaged in the business of sampling
  33 other than a retailer.
- (8)) (6) "Sampling" means the distribution of samples to members of the ((general)) public ((in a public place)).
- 36 (((+9))) (7) "Shipping container" means a container in which 37 cigarettes are shipped in connection with a delivery sale.

- 4 ((\(\frac{(11)}{11}\))) (9) "Tobacco product" means a product that contains 5 tobacco and is intended for human ((\(\frac{consumption}{10}\))) use, including any 6 product defined in RCW 82.24.010(2) or 82.26.010(1).
- **Sec. 3.** RCW 70.155.050 and 1993 c 507 s 6 are each amended to read 8 as follows:

- (1) No person may engage in the business of sampling ((within the state unless licensed to do so by the board. If a firm contracts with a manufacturer to distribute samples of the manufacturer's products, that firm is deemed to be the person engaged in the business of sampling)) tobacco products.
- (2) ((The board shall issue a license to a sampler not otherwise disqualified by RCW 70.155.100 upon application and payment of the fee.
- (3) A sampler's license expires on the thirtieth day of June of each year and must be renewed annually upon payment of the appropriate fee.
- (4) The board shall annually determine the fee for a sampler's license and each renewal. However, the fee for a manufacturer whose employees distribute samples within the state is five hundred dollars per annum, and the fee for all other samplers must be not less than fifty dollars per annum.
- (5) A sampler's license entitles the licensee, and employees or agents of the licensee, to distribute samples at any lawful location in the state during the term of the license. A person engaged in sampling under the license shall carry the license or a copy at all times.)) A violation of this section is a misdemeanor.
- **Sec. 4.** RCW 70.155.090 and 2005 c 206 s 2 are each amended to read 30 as follows:
- (1) Where there may be a question of a person's right to purchase or obtain tobacco products by reason of age, the retailer((, sampler,)) or agent thereof, shall require the purchaser to present any one of the following officially issued identification that shows the purchaser's age and bears his or her signature and photograph: (a) Liquor control authority card of identification of a state or province of Canada; (b)

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- driver's license, instruction permit, or identification card of a state 1 2 or province of Canada; (c) "identicard" issued by the Washington state department of licensing under chapter 46.20 RCW; (d) United States 3 military identification; (e) passport; (f) enrollment card, issued by 4 5 the governing authority of a federally recognized Indian tribe located in Washington, that incorporates security features comparable to those 6 7 implemented by the department of licensing for Washington drivers' least ninety days prior to implementation of 8 Αt 9 enrollment card under this subsection, the appropriate tribal authority 10 shall give notice to the board. The board shall publish and communicate to licensees regarding the implementation of each new 11 enrollment card; or (g) merchant marine identification card issued by 12 13 the United States coast quard.
  - (2) It is a defense to a prosecution under RCW 26.28.080 that the person making a sale reasonably relied on any of the officially issued identification as defined in subsection (1) of this section. The liquor control board shall waive the suspension or revocation of a license if the licensee clearly establishes that he or she acted in good faith to prevent violations and a violation occurred despite the licensee's exercise of due diligence.
- 21 **Sec. 5.** RCW 70.155.100 and 1998 c 133 s 3 are each amended to read 22 as follows:
  - (1) The liquor control board may suspend or revoke a retailer's license <u>issued under RCW 82.24.510(1)(b)</u> held by a business at any location, or may impose a monetary penalty as set forth in subsection (2) of this section, if the liquor control board finds that the licensee has violated RCW 26.28.080, 70.155.020, 70.155.030, 70.155.040, 70.155.050, ((70.155.060,)) 70.155.070, or 70.155.090.
- 29 (2) The sanctions that the liquor control board may impose against 30 a person licensed under RCW 82.24.530 ((and 70.155.050 and 70.155.060)) 31 based upon one or more findings under subsection (1) of this section 32 may not exceed the following:
  - (a) For violation of RCW 26.28.080 or 70.155.020:
- 34 (i) A monetary penalty of one hundred dollars for the first 35 violation within any two-year period;
- 36 (ii) A monetary penalty of three hundred dollars for the second 37 violation within any two-year period;

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1 (iii) A monetary penalty of one thousand dollars and suspension of 2 the license for a period of six months for the third violation within 3 any two-year period;

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- (iv) A monetary penalty of one thousand five hundred dollars 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;
- 10 (b) For violations of RCW 70.155.030, a monetary penalty in the 11 amount of one hundred dollars for each day upon which such violation 12 occurred;
- 13 (c) For violations of RCW 70.155.040 occurring on the licensed 14 premises:
- 15 (i) A monetary penalty of one hundred dollars for the first 16 violation within any two-year period;
  - (ii) A monetary penalty of three hundred dollars for the second violation within any two-year period;
- (iii) A monetary penalty of one thousand 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 one thousand five hundred dollars 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;
  - (d) For violations of RCW 70.155.050 ((and 70.155.060)), a monetary penalty in the amount of three hundred dollars for each violation;
- 30 (e) For violations of RCW 70.155.070, a monetary penalty in the 31 amount of one thousand dollars for each violation.
- (3) The liquor control board may impose a monetary penalty upon any person other than a licensed cigarette retailer ((or licensed sampler)) if the liquor control board finds that the person has violated RCW 26.28.080, 70.155.020, 70.155.030, 70.155.040, 70.155.050, ((70.155.060,)) 70.155.070, or 70.155.090.
- 37 (4) The monetary penalty that the liquor control board may impose

- based upon one or more findings under subsection (3) of this section
  may not exceed the following:
- 3 (a) For violation of RCW 26.28.080 or 70.155.020, fifty dollars for 4 the first violation and one hundred dollars for each subsequent 5 violation;
- 6 (b) For violations of RCW 70.155.030, one hundred dollars for each day upon which such violation occurred;
- 8 (c) For violations of RCW 70.155.040, one hundred dollars for each violation;
- 10 (d) For violations of RCW 70.155.050 ((and 70.155.060)), three 11 hundred dollars for each violation;
- 12 (e) For violations of RCW 70.155.070, one thousand dollars for each violation.
  - (5) The liquor control 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 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 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.
    - (7) The liquor control board may seek injunctive relief to enforce the provisions of RCW 26.28.080 or 82.24.500 or this chapter. The liquor control 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 liquor control board under this chapter, the court may, in addition to any other relief, award the liquor control board reasonable attorneys' fees and costs.
    - (8) All proceedings under subsections (1) through (6) of this section shall be conducted in accordance with chapter 34.05 RCW.
    - (9) The liquor control 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

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- 1 include, but are not limited to, an exercise of due diligence by a
- 2 retailer. Further, the board may exceed penalties set forth in this
- 3 chapter based on aggravating circumstances.
- 4 **Sec. 6.** RCW 82.24.120 and 1996 c 149 s 7 are each amended to read 5 as follows:
- 6 (1) If any person, subject to the provisions of this chapter or any 7 rules adopted by the department of revenue under authority hereof, is found to have failed to affix the stamps required, or to have them 8 9 affixed as herein provided, or to pay any tax due hereunder, or to have violated any of the provisions of this chapter or rules adopted by the 10 11 department of revenue in the administration hereof, there shall be assessed and collected from such person, in addition to any tax that 12 may be found due, a remedial penalty equal to the greater of ten 13 dollars per package of unstamped cigarettes or two hundred fifty 14 15 dollars, plus interest on the amount of the tax at the rate as computed 16 under RCW 82.32.050(2) from the date the tax became due until the date 17 of payment, and upon notice mailed to the last known address of the The amount shall become due and payable in thirty days from 18 the date of the notice. If the amount remains unpaid, the department 19 20 or its duly authorized agent may make immediate demand upon such person 21 for the payment of all such taxes, penalties, and interest.
- 22 (2) The department, for good reason shown, may waive or cancel all 23 or any part of penalties imposed, but the taxpayer must pay all taxes 24 due and interest thereon, at the rate as computed under RCW 25 82.32.050(2) from the date the tax became due until the date of 26 payment.
- 27 (3) The keeping of any unstamped articles coming within the 28 provisions of this chapter shall be prima facie evidence of intent to 29 violate the provisions of this chapter.
- 30 (4) This section does not apply to taxes or tax increases due under 31 RCW ((82.24.270 and)) 82.24.280.
- 32 **Sec. 7.** RCW 82.24.230 and 1995 c 278 s 9 are each amended to read 33 as follows:
- 34 All of the provisions contained in chapter 82.32 RCW shall have 35 full force and application with respect to taxes imposed under the

- 1 provisions of this chapter, except the following sections: RCW
- 2 82.32.050, 82.32.060, 82.32.070, 82.32.100, and 82.32.270, except as
- 3 noted otherwise in RCW ((82.24.270 and)) 82.24.280.
- 4 <u>NEW SECTION.</u> **Sec. 8.** The following acts or parts of acts are each 5 repealed:
- 6 (1) RCW 70.155.060 (Sampling in public places) and 1993 c 507 s 7; and
- 8 (2) RCW 82.24.270 (Cigarettes given away--Stamp not required--9 Payment of tax--Interest--Payment of amount less than due--Penalties--

Passed by the Senate February 14, 2006. Passed by the House March 3, 2006. Approved by the Governor March 9, 2006. Filed in Office of Secretary of State March 9, 2006.

Administration) and 1996 c 149 s 9 & 1995 c 278 s 12.