
SENATE BILL 6166

State of Washington 62nd Legislature 2012 Regular Session

By Senators Tom, Keiser, Kohl-Welles, Kline, Hobbs, and Nelson

Read first time 01/13/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to cigarette tax revenue for tobacco usage
2 prevention and treatment programs; amending RCW 82.24.020 and
3 43.79.480; and providing an effective date.

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

5 **Sec. 1.** RCW 82.24.020 and 2010 1st sp.s. c 22 s 2 are each amended
6 to read as follows:

7 (1) There is levied and collected as provided in this chapter((7))
8 a tax upon the sale, use, consumption, handling, possession, or
9 distribution of all cigarettes, in an amount equal to ((12.125)) 17.125
10 cents per cigarette. Revenues collected under this section must be
11 distributed as follows:

12 (a) Each fiscal year the sum of one million seven hundred thousand
13 dollars must be deposited into the tobacco prevention and control
14 account created in RCW 43.79.480 solely for appropriation for tobacco
15 usage prevention and treatment programs; and

16 (b) The remaining revenues must be deposited into the general fund.

17 (2) Wholesalers subject to the payment of this tax may, if they
18 wish, absorb five one-hundredths cents per cigarette of the tax and not

1 pass it on to purchasers without being in violation of this section or
2 any other act relating to the sale or taxation of cigarettes.

3 (3) For purposes of this chapter, "possession" means both (a)
4 physical possession by the purchaser, and ((7)) (b) when cigarettes are
5 being transported to or held for the purchaser or his or her designee
6 by a person other than the purchaser, constructive possession by the
7 purchaser or his or her designee, which constructive possession is
8 deemed to occur at the location of the cigarettes being so transported
9 or held.

10 (4) In accordance with federal law and rules prescribed by the
11 department, an enrolled member of a federally recognized Indian tribe
12 may purchase cigarettes from an Indian tribal organization under the
13 jurisdiction of the member's tribe for the member's own use exempt from
14 the applicable taxes imposed by this chapter. Except as provided in
15 subsection (5) of this section, any person, who purchases cigarettes
16 from an Indian tribal organization and who is not an enrolled member of
17 the federally recognized Indian tribe within whose jurisdiction the
18 sale takes place, is not exempt from the applicable taxes imposed by
19 this chapter.

20 (5) If the state enters into a cigarette tax contract or agreement
21 with a federally recognized Indian tribe under chapter 43.06 RCW, the
22 terms of the contract or agreement take precedence over any conflicting
23 provisions of this chapter while the contract or agreement is in
24 effect.

25 **Sec. 2.** RCW 43.79.480 and 2011 1st sp.s. c 50 s 947 are each
26 amended to read as follows:

27 (1) Moneys received by the state of Washington in accordance with
28 the settlement of the state's legal action against tobacco product
29 manufacturers, exclusive of costs and attorneys' fees, shall be
30 deposited in the tobacco settlement account created in this section
31 except as these moneys are sold or assigned under chapter 43.340 RCW.

32 (2) The tobacco settlement account is created in the state
33 treasury. Moneys in the tobacco settlement account may only be
34 transferred to the state general fund, and to the tobacco prevention
35 and control account for purposes set forth in this section. The
36 legislature shall transfer amounts received as strategic contribution
37 payments as defined in RCW 43.350.010 to the life sciences discovery

1 fund created in RCW 43.350.070. During the 2009-2011 and 2011-2013
2 fiscal biennia, the legislature may transfer less than the entire
3 strategic contribution payments, and may transfer amounts attributable
4 to strategic contribution payments into the basic health plan
5 stabilization account.

6 (3) The tobacco prevention and control account is created in the
7 state treasury. The source of revenue for this account is moneys
8 transferred to the account from the tobacco settlement account,
9 cigarette tax revenues pursuant to RCW 82.24.020(1)(a), investment
10 earnings, donations to the account, and other revenues as directed by
11 law. Expenditures from the account are subject to appropriation.
12 Moneys in the tobacco prevention and control account may only be used
13 for tobacco usage prevention and treatment programs. During the 2009-
14 2011 fiscal biennium, the legislature may transfer from the tobacco
15 prevention and control account to the state general fund such amounts
16 as represent the excess fund balance of the account.

17 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2012.

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