To: Insurance; Finance

## SENATE BILL NO. 2283

AN ACT ENTITLED THE "MISSISSIPPI FIRESAFE CIGARETTE SAFETY STANDARD AND FIREFIGHTER PROTECTION ACT OF 2008"; TO PROVIDE DEFINITIONS; TO PROVIDE THAT NO CIGARETTES MAY BE SOLD OR OFFERED FOR SALE IN THIS STATE OR TO PERSONS LOCATED IN THIS STATE UNLESS 5 THE CIGARETTES HAVE BEEN TESTED IN ACCORDANCE WITH CERTAIN 6 RECOGNIZED TEST METHODS AND PERFORMANCE STANDARDS; TO REQUIRE 7 MANUFACTURERS TO SUBMIT CERTIFICATION OF SAID CIGARETTE TESTING 8 AND PERFORMANCE STANDARDS; TO PRESCRIBE A FEE TO BE PAID TO THE STATE FIRE MARSHAL TO DEFRAY THE ACTUAL COST OF PROCESSING, 9 10 TESTING AND ENFORCEMENT OF THIS ACT; TO ESTABLISH A REDUCED CIGARETTE IGNITION PROPENSITY AND FIREFIGHTER PROTECTION ACT 11 12 ENFORCEMENT FUND FOR THE DEPOSIT OF SUCH FEES; TO PROVIDE FOR THE MARKING OF CIGARETTE PACKAGING TO INDICATE COMPLIANCE WITH THIS 13 ACT; TO PRESCRIBE CIVIL PENALTIES FOR CERTAIN VIOLATIONS OF THIS 14 ACT; TO ESTABLISH THE FIRE PREVENTION AND PUBLIC SAFETY FUND TO 15 16 CONSIST OF ALL PENALTIES COLLECTED TO BE MADE AVAILABLE TO SUPPORT 17 FIRE SAFETY AND PREVENTION PROGRAMS; TO AUTHORIZE THE STATE FIRE MARSHAL AND THE COMMISSIONER OF REVENUE TO PROMULGATE NECESSARY 18 19 RULES AND REGULATIONS TO IMPLEMENT THIS ACT AND TO CONDUCT INSPECTIONS TO DETERMINE IF THE CIGARETTES ARE MARKED AS REQUIRED; 20 TO PROVIDE THAT THIS ACT SUPERCEDES ANY LOCAL ORDINANCE; TO PROVIDE FOR THE REPEAL OF THIS ACT IF SUPERCEDED BY FEDERAL LAW; 21 22 23 AND FOR RELATED PURPOSES.

- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
- 25 **SECTION 1.** This act shall be known and may be cited as the
- 26 "Mississippi Firesafe Cigarette Safety Standard and Firefighter
- 27 Protection Act of 2008."
- 28 **SECTION 2.** As used in this section, unless the context
- 29 otherwise requires:
- 30 (a) "Agent" means any person authorized by the
- 31 Commissioner of Revenue to purchase and affix stamps on packages
- 32 of cigarettes;
- 33 (b) "Cigarette" means all rolled, shredded, or cut
- 34 tobacco, or any substitute thereof, wrapped in paper, or
- 35 substitute thereof, and all rolled, shredded or cut tobacco, or
- 36 any substitute thereof, wrapped in homogenized tobacco wrapper,

- 37 and being within customary cigarette sizes and marketed in
- 38 cigarette-type packages;
- 39 (c) "Manufacturer" means:
- 40 (i) Any entity which manufactures or otherwise
- 41 produces cigarettes or causes cigarettes to be manufactured or
- 42 produced anywhere that such manufacturer intends to be sold in
- 43 this state, including cigarettes intended to be sold in the United
- 44 States through an importer; or
- 45 (ii) The first purchaser that intends to resell
- 46 cigarettes in the United States that are manufactured anywhere
- 47 that the original manufacturer or maker did not intend to be sold
- 48 in the United States; or
- 49 (iii) Any entity that becomes a successor of an
- 50 entity described in paragraph (c)(i) or (ii);
- 51 (d) "Quality control and quality assurance program"
- 52 means the laboratory procedures implemented to ensure that
- 53 operator bias, systematic and nonsystematic methodological errors,
- 54 and equipment-related problems do not affect the results of the
- 55 testing. Such a program ensures that the testing repeatability
- 56 remains within the required repeatability values required by
- 57 subsection (1)(f) of Section 3 for all test trials used to certify
- 58 cigarettes in accordance with this section;
- (e) "Repeatability" means the range of values within
- 60 which the repeat results of cigarette test trials from a single
- 61 laboratory meet at least ninety-five percent (95%) of the time;
- (f) "Retail dealer" means any person, other than a
- 63 manufacturer or wholesale dealer, engaged in selling cigarettes or
- 64 tobacco products;
- (g) "Sale" means, in addition to its usual meaning, any
- 66 sale, use, transfer, exchange, barter, gift or offer for sale and
- 67 distribution, in any manner or by any means whatsoever;

- (h) "Sell" means to sell, or to offer or agree to do
- 69 the same;

- 70 (i) "Wholesale dealer" means any person who sells
- 71 cigarettes or tobacco products to retail dealers or other persons
- 72 for purposes of resale, and any person who owns, operates or
- 73 maintains one or more cigarette or tobacco product vending
- 74 machines in, at or upon premises owned or occupied by any other
- 75 person; and
- 76 (j) "Commissioner of Revenue" means the Chairman of the
- 77 State Tax Commission.
- 78 **SECTION 3.** (1) Except as provided in subsection (7), no
- 79 cigarettes may be sold or offered for sale in this state or
- 80 offered for sale or sold to persons located in this state unless
- 81 the cigarettes have been tested in accordance with the test method
- 82 and meet the performance standard specified in this section, a
- 83 written certification has been filed by the manufacturer with the
- 84 State Fire Marshal in accordance with Section 4, and the
- 85 cigarettes have been marked in accordance with Section 5.
- 86 (a) Testing of cigarettes shall be conducted in
- 87 accordance with the American Society of Testing and Materials
- 88 (ASTM) Standard E2187-04, "Standard Test Method for Measuring the
- 89 Ignition Strength of Cigarettes."
- 90 (b) Testing shall be conducted on ten (10) layers of
- 91 filter paper.
- 92 (c) No more than twenty-five percent (25%) of the
- 93 cigarettes tested in a test trial in accordance with this section
- 94 shall exhibit full-length burns. Forty (40) replicate tests shall
- 95 comprise a complete test trial for each cigarette tested.
- 96 (d) The performance standard required by this section
- 97 shall only be applied to a complete test trial.

- 98 (e) Written certifications shall be based upon testing
- 99 conducted by a laboratory that has been accredited pursuant to
- 100 standard ISO/IEC 17025 of the International Organization for
- 101 Standardization (ISO), or other comparable accreditation standard
- 102 required by the State Fire Marshal.

- 103 Laboratories conducting testing in accordance with this section shall implement a quality control and quality 104 assurance program that includes a procedure that will determine 105 106 the repeatability of the testing results. The repeatability value 107 shall be no greater than nineteen-hundredths of one percent 108 (0.19).
- 109 This section does not require additional testing if (q) 110 cigarettes are tested consistent with this section for any other 111 purpose.
- Testing performed or sponsored by the State Fire 112 (h) 113 Marshal to determine a cigarette's compliance with the performance 114 standard required shall be conducted in accordance with this 115 section.
- 116 (2) Each cigarette listed in a certification submitted 117 pursuant to Section 4 that uses lowered permeability bands in the 118 cigarette paper to achieve compliance with the performance standard set forth in this section shall have at least two (2) 119 120 nominally identical bands on the paper surrounding the tobacco 121 column. At least one (1) complete band shall be located at least fifteen millimeters (15 mm) from the lighting end of the 122 123 cigarette. For cigarettes on which the bands are positioned by 124 design, there shall be at least two (2) bands fully located at least fifteen millimeters (15 mm) from the lighting end and ten 125 millimeters (10 mm) from the filter end of the tobacco column, or 126 127 ten millimeters (10 mm) from the labeled end of the tobacco column 128 for nonfiltered cigarettes.
- 129 (3) A manufacturer of a cigarette that the State Fire 130 Marshal determines cannot be tested in accordance with the test 131 method prescribed in subsection (1)(a) shall propose a test method 132 and performance standard for the cigarette to the State Fire Marshal. Upon approval of the proposed test method and a 133 134 determination by the State Fire Marshal that the performance standard proposed by the manufacturer is equivalent to the 135 S. B. No. 2283

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performance standard prescribed in subsection (1)(c), the manufacturer may employ such test method and performance standard to certify such cigarette pursuant to Section 4. If the State Fire Marshal determines that another state has enacted reduced cigarette ignition propensity standards that include a test method and performance standard that are the same as those contained in this section, and the State Fire Marshal finds that the officials responsible for implementing those requirements have approved the proposed alternative test method and performance standard for a particular cigarette proposed by a manufacturer as meeting the fire safety standards of that state's law or regulation under a legal provision comparable to this section, then the State Fire Marshal shall authorize that manufacturer to employ the alternative test method and performance standard to certify that cigarette for sale in this state, unless the State Fire Marshal demonstrates a reasonable basis why the alternative test should not be accepted under this section. All other applicable requirements of this section shall apply to the manufacturer.

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- Each manufacturer shall maintain copies of the reports of all tests conducted on all cigarettes offered for sale for a period of three (3) years, and shall make copies of these reports available to the State Fire Marshal and the Attorney General upon written request. Any manufacturer who fails to make copies of these reports available within sixty (60) days of receiving a written request shall be subject to a civil penalty not to exceed Ten Thousand Dollars (\$10,000.00) for each day after the sixtieth day that the manufacturer does not make such copies available.
- 163 The State Fire Marshal may promulgate a subsequent ASTM (5) 164 Standard Test Method for Measuring the Ignition Strength of 165 Cigarettes upon a finding that such subsequent method does not result in a change in the percentage of full-length burns 166 167 exhibited by any tested cigarette when compared to the percentage of full-length burns the same cigarette would exhibit when tested 168

- in accordance with ASTM Standard E2187-04 and the performance standard in subsection (1) (c).
- 171 (6) The State Fire Marshal shall review the effectiveness of
- 172 this section and report findings every three (3) years to the
- 173 Lieutenant Governor and the Speaker of the House and, if
- 174 appropriate, recommendations for legislation to improve the
- 175 effectiveness of this section. The report and legislative
- 176 recommendations shall be submitted no later than February 1 of
- 177 each three-year period.
- 178 (7) The requirements of subsection (1) shall not prohibit
- 179 wholesale or retail dealers from selling their existing inventory
- 180 of cigarettes on or after the effective date of this act if the
- 181 wholesale or retailer dealer can establish that state tax stamps
- 182 were affixed to the cigarettes prior to the effective date of this
- 183 act, and if the wholesale or retailer dealer can establish that
- 184 the inventory was purchased prior to the effective date of this
- 185 act in comparable quantity to the inventory purchased during the
- 186 same period of the prior year.
- 187 **SECTION 4.** (1) Each manufacturer shall submit to the State
- 188 Fire Marshal a written certification attesting that:
- 189 (a) Each cigarette listed in the certification has been
- 190 tested in accordance with Section 3; and
- 191 (b) Each cigarette listed in the certification meets
- 192 the performance standard set forth in subsection (1)(c) of Section
- 193 3.
- 194 (2) Each cigarette listed in the certification shall be
- 195 described with the following information:
- 196 (a) Brand, or trade name on the package;
- 197 (b) Style, such as light or ultra light;
- 198 (c) Length in millimeters;
- 199 (d) Circumference in millimeters;
- 200 (e) Flavor, such as menthol or chocolate, if
- 201 applicable;

- 202 (f) Filter or nonfilter;
- 203 (g) Package description, such as soft pack or box;
- 204 (h) Marking approved in accordance with Section 5;
- 205 (i) The name, address and telephone number of the
- 206 laboratory, if different than the manufacturer that conducted the
- 207 test; and
- 208 (j) The date that the testing occurred.
- 209 (3) The certifications shall be made available to the
- 210 Attorney General for purposes consistent with this section and the
- 211 Commissioner of Revenue for the purposes of ensuring compliance
- 212 with this section.
- 213 (4) Each cigarette certified under this section shall be
- 214 recertified every three (3) years.
- 215 (5) For each cigarette listed in a certification, a
- 216 manufacturer shall pay to the State Fire Marshal a Two Hundred
- 217 Fifty Dollar (\$250.00) fee. The State Fire Marshal is authorized
- 218 to annually adjust this fee to ensure it defrays the actual costs
- 219 of the processing, testing, enforcement and oversight activities
- 220 required by this section.
- 221 (6) There is established in the State Treasury a separate,
- 222 nonreverting fund to be known as the "Reduced Cigarette Ignition
- 223 Propensity and Firefighter Protection Act Enforcement Fund." The
- 224 fund shall consist of all certification fees submitted by
- 225 manufacturers, and shall, in addition to any other monies made
- 226 available for such purpose, and subject to appropriation therefor
- 227 by the Legislature, be available to the State Fire Marshal solely
- 228 to support processing, testing, enforcement and oversight
- 229 activities under this section.
- 230 (7) If a manufacturer has certified a cigarette pursuant to
- 231 this section, and thereafter makes any change to such cigarette
- 232 that is likely to alter its compliance with the reduced cigarette
- 233 ignition propensity standards required by this section, that
- 234 cigarette shall not be sold or offered for sale in this state

235 until the manufacturer retests the cigarette in accordance with

236 the testing standards set forth in Section 3 and maintains records

237 of that retesting as required by Section 3. Any altered cigarette

238 which does not meet the performance standard set forth in Section

239 3 may not be sold in this state.

240 **SECTION 5.** (1) Cigarettes that are certified by a

241 manufacturer in accordance with Section 4 shall be marked to

242 indicate compliance with the requirements of Section 3. The

243 marking shall be in eight-point type or larger and consist of:

244 (a) Modification of the product UPC Code to include a

visible mark printed at or around the area of the UPC Code. The

246 mark may consist of alphanumeric or symbolic characters

247 permanently stamped, engraved, embossed or printed in conjunction

248 with the UPC Code; or

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249 (b) Any visible combination of alphanumeric or symbolic

characters permanently stamped, engraved or embossed upon the

251 cigarette package or cellophane wrap; or

(c) Printed, stamped, engraved or embossed text that

253 indicates that the cigarettes meet the standards of this section.

(2) A manufacturer shall use only one (1) marking, and shall

255 apply this marking uniformly for all packages, including, but not

256 limited to, packs, cartons, and cases, and brands marketed by that

257 manufacturer.

258 (3) The State Fire Marshal shall be notified as to the

259 marking that is selected.

260 (4) Prior to the certification of any cigarette, a

261 manufacturer shall present its proposed marking to the State Fire

262 Marshal for approval. Upon receipt of the request, the State Fire

263 Marshal shall approve or disapprove the marking offered, except

264 that the State Fire Marshal shall approve any marking in use and

265 approved for sale in the State of New York pursuant to the New

266 York Fire Safety Standards for Cigarettes. Proposed markings

- shall be deemed approved if the State Fire Marshal fails to act within ten (10) business days of receiving a request for approval.
- 269 (5) No manufacturer shall modify its approved marking unless 270 the modification has been approved by the State Fire Marshal in 271 accordance with this section.
- Manufacturers certifying cigarettes in accordance with 272 273 Section 4 shall provide a copy of the certifications to all 274 wholesale dealers and agents to which they sell cigarettes, and shall also provide sufficient copies of an illustration of the 275 package marking utilized by the manufacturer pursuant to this 276 277 section for each retail dealer to which the wholesale dealers or 278 agents sell cigarettes. Wholesale dealers and agents shall 279 provide a copy of these package markings received from 280 manufacturers to all retail dealers to which they sell cigarettes. Wholesale dealers, agents and retail dealers shall permit the 281 State Fire Marshal, the Commissioner of Revenue, the Attorney 282 General and their employees to inspect markings of cigarette 283
- 285 SECTION 6. (1) A manufacturer, wholesale dealer, agent or 286 any other person or entity who knowingly sells or offers to sell 287 cigarettes, other than through retail sale, in violation of 288 Section 3, for a first offense shall be liable for a civil penalty not to exceed Ten Thousand Dollars (\$10,000.00) for each sale of 289 such cigarettes, and for a subsequent offense shall be liable for 290 291 a civil penalty not to exceed Twenty-five Thousand Dollars 292 (\$25,000.00) for each sale of such cigarettes provided that in no 293 case shall the penalty against any such person or entity exceed 294 One Hundred Thousand Dollars (\$100,000.00) during any thirty-day 295 period.

packaging marked in accordance with this section.

- 296 (2) A retail dealer who knowingly sells cigarettes in 297 violation of Section 3 shall:
- 298 (a) For a first offense be liable for a civil penalty

  299 not to exceed Five Hundred Dollars (\$500.00), and for a subsequent

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offense be liable for a civil penalty not to exceed Two Thousand
Dollars (\$2,000.00), for each such sale or offer for sale of
cigarettes, if the total number of cigarettes sold or offered for
sale in such sale does not exceed one thousand (1,000) cigarettes;
or

- (b) For a first offense be liable for a civil penalty not to exceed One Thousand Dollars (\$1,000.00), and for a subsequent offense be liable for a civil penalty not to exceed Five Thousand Dollars (\$5,000.00), for each such sale or offer for sale of such cigarettes, if the total number of cigarettes sold or offered for sale in such sale exceeds one thousand (1,000) cigarettes provided that this penalty against any retail dealer shall not exceed Twenty-five Thousand Dollars (\$25,000.00) during a thirty-day period.
- 314 In addition to any penalty prescribed by law, any 315 corporation, partnership, sole proprietor, limited partnership or association engaged in the manufacture of cigarettes that 316 317 knowingly makes a false certification pursuant to Section 4 shall, 318 for a first offense, be liable for a civil penalty of at least 319 Seventy-five Thousand Dollars (\$75,000.00), and for a subsequent 320 offense a civil penalty not to exceed Two Hundred Fifty Thousand 321 Dollars (\$250,000.00) for each such false certification.
- 322 (4) Any person violating any other provision in this section 323 shall be liable for a civil penalty for a first offense not to 324 exceed One Thousand Dollars (\$1,000.00), and for a subsequent 325 offense shall be liable for a civil penalty not to exceed Five 326 Thousand Dollars (\$5,000.00), for each such violation.
- 327 (5) Any cigarettes that have been sold or offered for sale
  328 that do not comply with the performance standard required by
  329 Section 3 shall be subject to forfeiture and, upon forfeiture,
  330 destroyed; provided, however, that prior to the destruction of any
  331 cigarette pursuant to this section, the true holder of the

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trademark rights in the cigarette brand shall be permitted to inspect the cigarette.

- (6) In addition to any other remedy provided by law, the State Fire Marshal or Attorney General may file an action in circuit court for a violation of this section, including petitioning for injunctive relief or to recover any costs or damages suffered by the state because of a violation of this section, including enforcement costs relating to the specific violation and attorney's fees. Each violation of this section or of rules or regulations adopted under this section constitutes a separate civil violation for which the State Fire Marshal or Attorney General may obtain relief.
- 344 <u>SECTION 7.</u> (1) The State Fire Marshal may promulgate rules 345 and regulations, pursuant to the Administrative Procedures Act, 346 necessary to effectuate the purposes of this section.
  - (2) The Commissioner of Revenue in the regular course of conducting inspections of wholesale dealers, agents and retail dealers, may inspect such cigarettes to determine if the cigarettes are marked as required by Section 5. If the cigarettes are not marked as required, the Commissioner of Revenue shall notify the State Fire Marshal.
  - SECTION 8. To enforce the provisions of this section, the Attorney General and the State Fire Marshal are hereby authorized to examine the books, papers, invoices and other records of any person in possession, control or occupancy of any premises where cigarettes are placed, stored, sold or offered for sale, as well as the stock of cigarettes on the premises. Every person in the possession, control or occupancy of any premises where cigarettes are placed, sold or offered for sale, is hereby directed and required to give the Attorney General and the State Fire Marshal the means, facilities and opportunity for the examinations authorized by this section.

364	<b>SECTION 9.</b> There is hereby established in the State Treasury
365	a special fund to be known as the "Fire Prevention and Public
366	Safety Fund." The fund shall consist of all monies recovered as
367	penalties under Section 6. The monies shall be deposited to the
368	credit of the fund and shall, in addition to any other monies made
369	available for such purpose and subject to appropriation therefor
370	by the Legislature, be made available to the State Fire Marshal to
371	support fire safety and prevention programs.

SECTION 10. Nothing in this section shall be construed to prohibit any person or entity from manufacturing or selling cigarettes that do not meet the requirements of Section 3 if the cigarettes are, or will be, stamped for sale in another state or are packaged for sale outside the United States and that person or entity has taken reasonable steps to ensure that such cigarettes will not be sold or offered for sale to persons located in this state.

SECTION 11. Notwithstanding any other provision of law, the local governmental units of this state may neither enact nor enforce any ordinance or other local law or regulation conflicting with, or preempted by, any provision or with any policy of this state expressed by this act, whether that policy be expressed by inclusion of a provision in this act or by exclusion of that subject from this act.

387 **SECTION 12.** This act shall become effective July 1, 2008, 388 and shall be repealed if a federal reduced cigarette ignition 389 propensity standard that preempts this act is adopted and becomes 390 effective, as certified by the Attorney General.

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