

1 AN ACT

2 relating to the regulation of cigarettes; providing a penalty.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Subtitle C, Title 9, Health and Safety Code, is
5 amended by adding Chapter 796 to read as follows:

6 CHAPTER 796. CIGARETTE FIRE SAFETY STANDARDS

7 Sec. 796.001. DEFINITIONS. In this chapter:

8 (1) "Agent" means a person licensed by the comptroller
9 to purchase and affix adhesive or meter stamps on packages of
10 cigarettes.

11 (2) "Cigarette" means a roll for smoking:

12 (A) that is made of tobacco or tobacco mixed with
13 another ingredient and wrapped or covered with a material other
14 than tobacco; or

15 (B) that is wrapped in any substance containing
16 tobacco that, because of the roll's appearance, the type of tobacco
17 used in the filler, or the roll's packaging and labeling, is likely
18 to be offered to or purchased by a consumer as a cigarette.

19 (3) "Manufacturer" means:

20 (A) a person that manufactures or otherwise
21 produces cigarettes for sale in this state, including cigarettes
22 intended to be sold through an importer; or

23 (B) the first purchaser that intends to resell in
24 this state cigarettes manufactured anywhere that the original

1 manufacturer does not intend to be sold in this state.

2 (4) "Retailer" means a person, other than a wholesale
3 dealer, engaged in selling cigarettes or tobacco products.

4 (5) "Sale" means any transfer of title or possession
5 or both, exchange or barter, conditional or otherwise, in any
6 manner or by any means or any agreement. The term includes, in
7 addition to sales using cash or credit, the giving of a cigarette as
8 a sample, prize, or gift and the exchange of a cigarette for any
9 consideration other than money.

10 (6) "Sell" means to sell or to offer or agree to sell.

11 (7) "Wholesale dealer" means a person who sells
12 cigarettes or tobacco products to retail dealers or other persons
13 for purposes of resale, including a person who owns, operates, or
14 maintains one or more cigarette or tobacco product vending machines
15 in premises owned or occupied by another person.

16 Sec. 796.002. REQUIREMENTS FOR SALE OF CIGARETTE. A
17 cigarette may not be sold or offered for sale in this state unless:

18 (1) the cigarette has been tested in accordance with
19 Section 796.003;

20 (2) the cigarette meets the performance standard under
21 Section 796.003;

22 (3) a written certification has been filed by the
23 manufacturer with the state fire marshal in accordance with Section
24 796.005; and

25 (4) the cigarette has been marked in accordance with
26 Section 796.006.

27 Sec. 796.003. TESTING. (a) A manufacturer of cigarettes

1 shall ensure that tests on cigarettes are conducted:

2 (1) in accordance with Standard Test Method for
3 Measuring the Ignition Strength of Cigarettes, E2187-04, by the
4 American Society of Testing and Materials, as that standard existed
5 on January 1, 2007;

6 (2) on 10 layers of filter paper; and

7 (3) in a complete test trial of 40 replica tests.

8 (b) Not more than 25 percent of the cigarettes tested in a
9 test trial in accordance with this section may exhibit full-length
10 burns.

11 (c) The performance standard required by this section shall
12 only be applied to a complete test trial.

13 (d) A written certification shall be based on testing
14 conducted by a laboratory that has been accredited pursuant to
15 standard ISO/IEC 17025 of the International Organization for
16 Standardization, or another comparable accreditation standard
17 required by the state fire marshal.

18 (e) A laboratory testing in accordance with this section
19 shall implement a quality control and quality assurance program to
20 ensure that operator bias, systematic and nonsystematic
21 methodological errors, and equipment-related problems do not
22 affect the results of the testing. The program must include a
23 procedure to determine the repeatability of the testing results.
24 The repeatability value may not be greater than 0.19. For purposes
25 of this subsection, "repeatability value" means the range of values
26 within which the repeat results of cigarette test trials from a
27 single laboratory will fall 95 percent of the time.

1 (f) The state fire marshal may adopt a subsequent ASTM
2 Standard Test Method for Measuring the Ignition Strength of
3 Cigarettes on finding that the subsequent method does not result in
4 a change in the percentage of full-length burns exhibited by any
5 tested cigarette when compared to the percentage of full-length
6 burns the same cigarette would exhibit when tested in accordance
7 with ASTM Standard E2187-04 and the performance standard in
8 Subsection (b).

9 (g) A cigarette submitted for testing that uses lowered
10 permeability bands in the cigarette paper to comply with the
11 performance standard under this section must have at least two
12 nominally identical bands on the paper surrounding the tobacco
13 column and at least one complete band not less than 15 millimeters
14 from the lighting end of the cigarette. A cigarette on which the
15 bands are positioned by design must have at least two bands located
16 not less than 15 millimeters from the lighting end and 10
17 millimeters from the filter end of the tobacco column or 10
18 millimeters from the labeled end of the tobacco column for
19 nonfiltered cigarettes.

20 (h) This section does not require additional testing if a
21 cigarette is tested in a manner that is consistent with this chapter
22 for any other purpose.

23 (i) Testing performed or sponsored by the state fire marshal
24 to determine a cigarette's compliance with the performance standard
25 required under this section shall be conducted in accordance with
26 this section.

27 Sec. 796.004. ALTERNATIVE TEST METHODS. (a) A

1 manufacturer of a cigarette that the state fire marshal determines
2 cannot be tested in accordance with Section 796.003 shall propose a
3 test method and performance standard for the cigarette to the state
4 fire marshal. If the state fire marshal determines that the
5 performance standard proposed by the manufacturer is equivalent to
6 the performance standard under Section 796.003, the manufacturer
7 may use the proposed test method.

8 (b) Unless the state fire marshal demonstrates a reasonable
9 basis why an alternative test should not be accepted under this
10 chapter, the state fire marshal shall authorize a manufacturer to
11 employ the alternative test method and performance standard to
12 certify a cigarette for sale in this state if the state fire
13 marshal:

14 (1) determines that another state has enacted reduced
15 cigarette ignition propensity standards that include a test method
16 and performance standard that are the same as those contained in
17 this chapter; and

18 (2) finds that the officials responsible for
19 implementing those requirements have approved an alternative test
20 method and performance standard for a particular cigarette proposed
21 by a manufacturer as meeting the fire safety standards of that
22 state's law or regulation under a legal provision comparable to
23 this section.

24 Sec. 796.005. CERTIFICATION. (a) Before a cigarette may be
25 sold or offered for sale in this state, the cigarette's
26 manufacturer must certify in writing to the state fire marshal that
27 the cigarette has been tested in accordance with and meets the

1 performance standard in Section 796.003 or 796.004.

2 (b) A certification filed under this section must include
3 the following information:

4 (1) brand or trade name on the package;

5 (2) style, such as light or ultra light;

6 (3) length in millimeters;

7 (4) circumference in millimeters;

8 (5) flavor, such as menthol or chocolate, if
9 applicable;

10 (6) filter or nonfilter;

11 (7) package description, such as soft pack or box;

12 (8) marking approved in accordance with Section
13 796.006;

14 (9) the name, address, and telephone number of the
15 laboratory, if different from the manufacturer that conducted the
16 test; and

17 (10) the date that the testing occurred.

18 (c) The state fire marshal shall retain a copy of a
19 certification and provide a copy to the comptroller to ensure
20 compliance with this chapter.

21 (d) A cigarette certified under this section shall be
22 recertified every three years.

23 (e) For each cigarette included in a certification, a
24 manufacturer shall pay to the state fire marshal a fee in the amount
25 of \$250, to be deposited only to the Texas Department of Insurance
26 operating account in the general revenue fund.

27 (f) A cigarette certified under this section that is altered

1 by the manufacturer in a way likely to alter its compliance with the
2 reduced cigarette ignition propensity standards required by this
3 chapter may not be sold or offered for sale in this state unless the
4 manufacturer retests the cigarette in accordance with Section
5 796.003 or 796.004 and maintains the records required by Section
6 796.007.

7 Sec. 796.006. MARKING OF PACKAGE. (a) A manufacturer shall
8 mark, in eight-point or larger type, cigarettes certified by the
9 manufacturer in accordance with Section 796.005 to indicate
10 compliance with the requirements of Section 796.003. The marking
11 must consist of:

12 (1) modification of the product Universal Product Code
13 to include a visible mark printed at or around the area of the
14 Universal Product Code and permanently stamped, engraved,
15 embossed, or printed in conjunction with the Universal Product
16 Code;

17 (2) a visible combination of alphanumeric or symbolic
18 characters permanently stamped, engraved, or embossed upon the
19 cigarette package or cellophane wrap; or

20 (3) other printed, stamped, engraved, or embossed text
21 that indicates that the cigarettes meet the standards of this
22 chapter.

23 (b) A manufacturer shall present its proposed marking to the
24 state fire marshal for approval. Proposed markings are considered
25 approved if the state fire marshal fails to disapprove the proposed
26 markings on or before the 10th business day after the date the
27 proposed markings are received. The state fire marshal must

1 approve a marking:

2 (1) in use and approved for sale in another state; or

3 (2) with the letters "FSC" for Fire Standards
4 Compliant appearing in eight-point or larger type and permanently
5 printed, stamped, engraved, or embossed on the package at or near
6 the Universal Product Code.

7 (c) A manufacturer shall use only one type of marking and
8 shall apply the marking uniformly to all packages, including packs,
9 cartons, and cases, and brands marketed by the manufacturer in this
10 state.

11 (d) A manufacturer may not modify its approved marking
12 unless the state fire marshal has approved the modification.

13 (e) A manufacturer shall provide sufficient copies of an
14 illustration of the package marking to a wholesale dealer and agent
15 to which the manufacturer sells cigarettes and provide sufficient
16 copies of an illustration of the package marking used by the
17 manufacturer under this section for each retailer to which the
18 wholesale dealers or agents will sell cigarettes. A wholesale
19 dealer and an agent shall provide a copy of package markings
20 received from a manufacturer to a retail dealer to which the
21 wholesale dealer or agent sells cigarettes. A wholesale dealer,
22 agent, and retail dealer shall permit the state fire marshal, the
23 comptroller, and the attorney general to inspect markings of
24 cigarette packaging marked in accordance with this section.

25 Sec. 796.007. MANUFACTURER RECORDS AND REPORTING. (a) A
26 manufacturer shall maintain copies of the reports of all tests
27 conducted on all cigarettes offered for sale for the previous three

1 years and shall make copies of the reports available to the state
2 fire marshal on the state fire marshal's written request.

3 (b) A manufacturer that fails to make copies of the reports
4 available not later than 60 days after the date the manufacturer
5 receives a written request shall be subject to a civil penalty,
6 imposed as provided by Section 796.010, in an amount not to exceed
7 \$10,000 per violation. Each day that the manufacturer does not make
8 the copies available is a separate violation.

9 Sec. 796.008. RULES. The state fire marshal may adopt rules
10 to administer this chapter.

11 Sec. 796.009. INSPECTION. (a) The state fire marshal may
12 inspect the records and the stock of cigarettes of a person who
13 manufactures, stores, or sells cigarettes to establish whether the
14 person is complying with this chapter.

15 (b) The comptroller may, in the course of an inspection
16 under Chapter 154, Tax Code, inspect cigarettes for a marking
17 required under Section 796.006 and report the comptroller's
18 findings to the state fire marshal.

19 Sec. 796.010. CIVIL PENALTY; INJUNCTION. (a) A person who
20 knowingly violates this chapter or a rule adopted under this
21 chapter is subject to a civil penalty in the following amounts:

22 (1) if the person is a manufacturer, wholesale dealer,
23 or agent knowingly selling or offering to sell a cigarette in
24 violation of this chapter, a civil penalty not to exceed \$100 for
25 each pack of cigarettes sold or offered for sale, but not more than
26 \$100,000 for all violations occurring within a 30-day period;

27 (2) if the person is a retailer knowingly selling or

1 offering to sell a cigarette in violation of this chapter, a civil
2 penalty not to exceed \$100 for each pack of cigarettes sold or
3 offered for sale, but not more than \$25,000 for all violations
4 occurring within a 30-day period;

5 (3) if the person knowingly makes a false
6 certification under Section 796.005, a civil penalty not to exceed
7 \$75,000 for a first violation or \$250,000 for a second or subsequent
8 violation; and

9 (4) if the person violates another provision of this
10 chapter, other than Section 796.007(b), or another rule adopted
11 under this chapter, a civil penalty not to exceed \$1,000 for a first
12 violation or \$5,000 for a second or subsequent violation.

13 (b) If it appears that a person has violated, is violating,
14 or is threatening to violate this chapter or a rule or order adopted
15 under this chapter, the attorney general, as determined by the
16 attorney general or on request of the state fire marshal, may bring
17 a civil action in a district court for:

18 (1) injunctive relief to restrain the person from
19 continuing the violation or threat of violation;

20 (2) the assessment of a civil penalty; or

21 (3) both injunctive relief and a civil penalty.

22 (c) A cigarette sold or offered for sale in violation of
23 this chapter is subject to forfeiture under Chapter 154, Tax Code,
24 except that before a forfeited cigarette may be destroyed, the true
25 holder of the trademark rights in the cigarette brand must be
26 permitted to inspect the cigarette.

27 (d) A civil penalty collected under this section shall be

1 deposited to the credit of the fire prevention and public safety
2 account.

3 Sec. 796.011. FIRE PREVENTION AND PUBLIC SAFETY ACCOUNT.

4 (a) The fire prevention and public safety account is a separate
5 account in the general revenue fund.

6 (b) The account consists of civil penalties collected under
7 Section 796.010.

8 (c) Money in the account may be appropriated only to the
9 state fire marshal to support fire safety and prevention programs.

10 Sec. 796.012. SALE OUTSIDE OF TEXAS. This chapter does not
11 prohibit a person from manufacturing or selling cigarettes that do
12 not meet the requirements of this chapter if:

13 (1) the cigarettes are or will be stamped for sale in
14 another state or are packaged for sale outside the United States;
15 and

16 (2) the person has taken reasonable steps to ensure
17 that the cigarettes will not be sold or offered for sale in this
18 state.

19 Sec. 796.013. INTERPRETATION. This chapter shall be so
20 interpreted and construed as to effectuate its general purpose to
21 make uniform this chapter with the laws of those states that have
22 enacted reduced cigarette ignition propensity laws.

23 Sec. 796.014. CONSUMER TESTING. This chapter does not
24 prohibit the sale of a cigarette solely for the purpose of the
25 cigarette's assessment conducted by a manufacturer, or under the
26 control and direction of a manufacturer, to evaluate consumer
27 acceptance of the cigarette by using only the quantity of

1 cigarettes that is reasonably necessary for the assessment.

2 Sec. 796.015. LOCAL REGULATION. A political subdivision of
3 this state may not adopt or enforce any ordinance or other
4 regulation conflicting with, or preempted by, any provision of this
5 chapter or with any policy of this state expressed by this chapter,
6 whether that policy be expressed by inclusion of a provision in the
7 chapter or by exclusion of that subject from the chapter.

8 Sec. 796.016. FEDERAL REGULATION. On and after the date
9 that a federal reduced cigarette ignition propensity standard that
10 preempts this chapter is adopted and becomes effective, this
11 chapter has no effect.

12 Sec. 796.017. REPORTS. Not later than January 1 of each
13 odd-numbered year, the state fire marshal shall:

14 (1) review the effectiveness of this chapter;
15 (2) submit a report to the governor, the lieutenant
16 governor, the speaker of the house of representatives, and the
17 appropriate committees of the legislature on the state fire
18 marshal's administration of this chapter; and

19 (3) make recommendations to improve the effectiveness
20 of this chapter, if appropriate.

21 SECTION 2. (a) Subject to Subsection (b) of this section,
22 the change in law made by Chapter 796, Health and Safety Code, as
23 added by this Act, does not prohibit a wholesale dealer or retailer
24 from selling the person's existing inventory of cigarettes on or
25 after the effective date of this Act if the person can establish
26 that state tax stamps were affixed to the cigarettes before the
27 effective date of this Act in a quantity that is comparable to the

1 quantity of cigarettes purchased by the person during the previous
2 year.

3 (b) A person may not sell or offer for sale a cigarette in
4 this state that does not comply with Chapter 796, Health and Safety
5 Code, as added by this Act, after January 1, 2010.

6 SECTION 3. This Act takes effect January 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 2935 was passed by the House on May 10, 2007, by the following vote: Yeas 141, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2935 on May 25, 2007, by the following vote: Yeas 131, Nays 4, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2935 was passed by the Senate, with amendments, on May 22, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor