



**Bill Title:** Vapor Product Taxation

**Bill Number:** ESSHB 1873

**Effective Date:** October 1, 2019

**Amends:** RCW 66.08.145, RCW 66.44.010, RCW 82.24.510, RCW 82.24.550, RCW 82.26.060, RCW 82.26.080, RCW 82.26.150, RCW 82.26.220, RCW 82.32.300, RCW 70.345.010, RCW 70.345.030, RCW 70.345.090, RCW 43.06.450

## **Summary**

This bill:

- Establishes a wholesale tax on vapor products by taxing accessible containers of liquid solution that are larger than five milliliters at 9 cents per milliliter of solution and a wholesale tax on all other vapor products at 27 cents per milliliter of solution
- Creates a Foundational Public Health Services Account with 50 percent of the vapor tax revenues directed into that account; money from this account will be used as follows:
  - 50 percent and no less than \$12 million to fund foundational health services
  - 17 percent to fund tobacco, vapor product, and nicotine and prevention, and other substance use prevention and education
  - 5 percent to support increased access and training of public health professionals
  - No more than 8 percent to fund enforcement by the LCB to prevent sales of vapor products to minors and for control of marketing and product safety
- Directs the other 50 percent of vapor tax revenues into the Andy Hill Cancer Research Endowment account
- Authorizes the Governor to enter into vapor tax contracts with federally recognized Indian tribes
  - The vapor tax contract requirements, for the most part, mirror the requirements for cigarette tax contracts in current law
  - Allows the Governor to delegate the negotiation of the vapor tax contracts to the Department of Revenue and the LCB must be consulted during the negotiations

## **Contact Information:**

If you have questions, please contact [Chris Thompson, Director of Legislative Relations](#).