HOUSE BILL 1442

State of Washington 64th Legislature 2015 Regular Session

 ${\bf By}$ Representatives G. Hunt, Shea, Young, Scott, Taylor, Condotta, and Short

Read first time 01/21/15. Referred to Committee on Judiciary.

AN ACT Relating to expanding economic development and creating 1 2 jobs by increasing the availability of ammunition and firearm parts 3 and accessories in Washington state; amending RCW 7.72.030; adding new sections to chapter 82.04 RCW; adding a new section to chapter 4 5 84.36 RCW; adding a new section to chapter 19.02 RCW; adding a new section to chapter 23B.01 RCW; adding a new section to chapter 25.15 6 7 RCW; adding a new section to chapter 43.330 RCW; adding a new chapter 8 to Title 19 RCW; creating a new section; and declaring an emergency.

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

10 Sec. 1. The legislature recognizes that the people NEW SECTION. 11 of Washington state have reserved to themselves the individual right to bear arms in Article I, section 24, of the Washington state 12 Constitution, which reads, "The right of the individual citizen to 13 14 bear arms in defense of himself, or the state, shall not be impaired " The legislature finds that both the right to bear 15 16 arms and the safety and well-being of law-abiding citizens who 17 possess firearms are at serious risk if the people cannot obtain ammunition for their firearms. A reliable, adequate, and ongoing 18 source of ammunition is an indivisible and essential part of the 19 right to bear arms. The people of Washington state who need small 20 21 arms ammunition are almost completely dependent upon a very limited

1 number of manufacturers of smokeless propellant, small arms primers, cartridge cases, and small arms ammunition that are located in other 2 states. The legislature also recognizes that the availability of 3 firearm parts and accessories are also necessary in order for the 4 people to more effectively exercise their right to bear arms. The 5 6 legislature intends by this act to encourage the manufacture of 7 smokeless propellant, small arms primers, cartridge cases, and small arms ammunition and firearm parts and accessories within the borders 8 9 of Washington state to ensure a dependable, sufficient, and availability of ammunition components, and firearms 10 continuous 11 ammunition, parts, and accessories, for the people of Washington, and 12 to expand economic development and create jobs within Washington 13 state.

14 <u>NEW SECTION.</u> **Sec. 2.** This act may be known and cited as the 15 Washington state firearms ammunition, parts, and accessories jobs 16 act.

17 <u>NEW SECTION.</u> **Sec. 3.** The definitions in this section apply 18 throughout this chapter unless the context clearly requires 19 otherwise.

(1) "Ammunition components" means propellants, primers, andcartridge cases.

(2) "Black powder" means a propellant made from potassium or sodium nitrate, charcoal, and sulfur or a substitute for black powder made differently that is used for conventional small arms or antique or replica arms.

26 (3) "Cartridge cases" means the casings that contain and hold 27 together the propellant, primer, and bullet, which may be formed from 28 brass, aluminum, steel, plastic, or some combination of those or 29 other materials.

30 (4) "Firearm accessories" means items that connect to a small arm 31 or are used to carry or load small arms ammunition and includes, but 32 is not limited to, hand guards, scopes, magazines, clips, slings, and 33 speed loaders.

(5) "Firearm parts" means the individual components used in the
 manufacture of small arms and includes, but is not limited to,
 barrels, frames, cylinders, chokes, stocks, grips, and forends.

37 (6) "Manufacturer of firearm ammunition, parts, or accessories"38 means a person or entity in this state engaged in the primary

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business of the manufacture of ammunition components, small arms
 ammunition, firearm parts, or firearm accessories.

3 (7) "Primary business" means a manufacturer in which more than 4 one-half of its product produced is, and more than one-half of its 5 gross income comes from sales of, ammunition components, small arms 6 ammunition, firearm parts, or firearm accessories.

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(8) "Propellant" includes smokeless propellant and black powder.

8 (9) "Small arms" means pistols, revolvers, rifles, shotguns, and 9 other similar devices that are portable by one person, the possession 10 and use of which are protected by Article I, section 24, of the 11 Washington state Constitution.

(10) "Small arms ammunition" means the combination of ammunitioncomponents into a projectile for use in small arms.

(11) "Small arms primers" means the priming component for a round of ammunition intended for use in small arms that is usually made of a cup, an anvil, and a shock-sensitive chemical compound and is designed to ignite the propellant in an ammunition cartridge for conventional small arms.

19 (12) "Smokeless propellant" means a chemical substance designed 20 to expel a projectile from small arms through burning and expansion 21 at a quick but controlled burning rate.

22 <u>NEW SECTION.</u> Sec. 4. (1) A manufacturer of firearms ammunition, 23 parts, or accessories that meets the conditions in subsection (2) of 24 this section is exempt from:

(a) The business and occupation tax imposed under chapter 82.04
RCW, as provided in section 6 of this act;

(b) Property taxes imposed under Title 84 RCW, as provided insection 8 of this act; and

29 (c) Business license fees, as provided in sections 9 through 11 30 of this act.

31 (2) A manufacturer of firearm ammunition, parts, or accessories 32 is exempt from taxation and fees as provided under subsection (1) of 33 this section if the manufacturer meets the following conditions:

34 (a) The products of the manufacturer are and remain available to35 commercial and individual consumers in the state;

36 (b) The manufacturer sells its products to in-state commercial 37 and individual consumers for a price no greater than that for out-of-38 state purchasers, including any products that leave the state 39 regardless of destination or purchaser; and

1 (c) The manufacturer does not enter into any agreement or 2 contract that could actually or potentially require or commit all of 3 its production to out-of-state consumers, or interfere with or 4 prohibit sales or the provision of its products to in-state 5 consumers.

6 <u>NEW SECTION.</u> Sec. 5. Only Washington state and the department 7 of ecology may regulate the chemicals used to manufacture ammunition 8 components and any use of those chemicals for such purposes may not 9 be regulated in the state by any agency of the United States.

10 <u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 82.04
11 RCW to read as follows:

(1) The tax imposed under this chapter does not apply to amanufacturer of firearm ammunition, parts, or accessories.

14 (2) To qualify for the exemption under this section, a 15 manufacturer of firearm ammunition, parts, or accessories must meet 16 the requirements of section 4(2) of this act.

17 (3) "Manufacturer of firearm ammunition, parts, or accessories"18 has the same meaning as provided in section 3 of this act.

19 <u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 82.04 20 RCW to read as follows:

(1) In computing tax there may be deducted from the measure of tax by those engaged in banking, loan, security, or other financial businesses, interest received on loans made to manufacturers of firearm ammunition, parts, or accessories.

(2) "Manufacturer of firearm ammunition, parts, or accessories"has the same meaning as provided in section 3 of this act.

27 <u>NEW SECTION.</u> **Sec. 8.** A new section is added to chapter 84.36 28 RCW to read as follows:

(1) Property owned and used by a manufacturer of firearmammunition, parts, or accessories is exempt from tax.

31 (2) To qualify for the exemption under this section, a 32 manufacturer of firearm ammunition, parts, or accessories must meet 33 the requirements of section 4(2) of this act.

34 (3) "Manufacturer of firearm ammunition, parts, or accessories"35 has the same meaning as provided in section 3 of this act.

1NEW SECTION.Sec. 9.A new section is added to chapter 19.022RCW to read as follows:

Any person operating as a manufacturer of firearm ammunition, parts, or accessories, as defined in section 3 of this act, in a manner consistent with the requirements of section 4(2) of this act, is exempt from fees imposed under this chapter.

7 <u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 23B.01 8 RCW to read as follows:

9 Any corporation operating as a manufacturer of firearm 10 ammunition, parts, or accessories, as defined in section 3 of this 11 act, in a manner consistent with the requirements of section 4(2) of 12 this act, is exempt from fees imposed under this chapter.

13 <u>NEW SECTION.</u> Sec. 11. A new section is added to chapter 25.15 14 RCW to read as follows:

15 Any limited liability company operating as a manufacturer of 16 firearm ammunition, parts, or accessories, as defined in section 3 of 17 this act, in a manner consistent with the requirements of section 18 4(2) of this act, is exempt from fees imposed under this chapter.

19 **Sec. 12.** RCW 7.72.030 and 1988 c 94 s 1 are each amended to read 20 as follows:

(1) A product manufacturer is subject to liability to a claimant if the claimant's harm was proximately caused by the negligence of the manufacturer in that the product was not reasonably safe as designed or not reasonably safe because adequate warnings or instructions were not provided.

(a) A product is not reasonably safe as designed, if, at the time 26 of manufacture, the likelihood that the product would cause the 27 28 claimant's harm or similar harms, and the seriousness of those harms, outweighed the burden on the manufacturer to design a product that 29 would have prevented those harms and the adverse effect that an 30 alternative design that was practical and feasible would have on the 31 32 usefulness of the product: PROVIDED, That a firearm ((or)), 33 ammunition, or ammunition component made in Washington state shall not be deemed defective in design on the basis that the benefits of 34 the product do not outweigh the risk of injury posed by its potential 35 to cause serious injury, damage, or death when discharged. The 36 potential of a firearm or ammunition to cause serious injury, damage, 37

or death when discharged does not make the product defective in design, and injuries or damages resulting from the discharge of a firearm or ammunition are not proximately caused by its potential to cause serious injury, damage, or death, but are proximately caused by the actual discharge of the product.

6 (b) A product is not reasonably safe because adequate warnings or 7 instructions were not provided with the product, if, at the time of 8 manufacture, the likelihood that the product would cause the 9 claimant's harm or similar harms, and the seriousness of those harms, 10 rendered the warnings or instructions of the manufacturer inadequate 11 and the manufacturer could have provided the warnings or instructions 12 which the claimant alleges would have been adequate.

(c) A product is not reasonably safe because adequate warnings or 13 instructions were not provided after the product was manufactured 14 where a manufacturer learned or where a reasonably prudent 15 16 manufacturer should have learned about a danger connected with the 17 product after it was manufactured. In such a case, the manufacturer 18 is under a duty to act with regard to issuing warnings or instructions concerning the danger in the manner that a reasonably 19 prudent manufacturer would act in the same or similar circumstances. 20 21 This duty is satisfied if the manufacturer exercises reasonable care to inform product users. 22

(2) A product manufacturer is subject to strict liability to a claimant if the claimant's harm was proximately caused by the fact that the product was not reasonably safe in construction or not reasonably safe because it did not conform to the manufacturer's express warranty or to the implied warranties under Title 62A RCW.

(a) A product is not reasonably safe in construction if, when the product left the control of the manufacturer, the product deviated in some material way from the design specifications or performance standards of the manufacturer, or deviated in some material way from otherwise identical units of the same product line.

33 (b) A product does not conform to the express warranty of the 34 manufacturer if it is made part of the basis of the bargain and 35 relates to a material fact or facts concerning the product and the 36 express warranty proved to be untrue.

37 (c) Whether or not a product conforms to an implied warranty
 38 created under Title 62A RCW shall be determined under that title.

39 (3) In determining whether a product was not reasonably safe40 under this section, the trier of fact shall consider whether the

product was unsafe to an extent beyond that which would be
 contemplated by the ordinary consumer.

3 <u>NEW SECTION.</u> Sec. 13. A new section is added to chapter 43.330
4 RCW to read as follows:

5 The department, the county-designated associate development organization, the small business development center, and impact б Washington must provide technical assistance if requested by a 7 manufacturer of firearm ammunition, parts, or accessories, as defined 8 9 in section 3 of this act. The technical assistance provided must be 10 responsive to the request and may include the provision of market 11 business planning, intelligence and research, information on available financing tools, or the resolution of siting, regulatory, 12 13 or licensing requirements.

14 <u>NEW SECTION.</u> **Sec. 14.** Sections 1 through 5 of this act 15 constitute a new chapter in Title 19 RCW.

16 <u>NEW SECTION.</u> Sec. 15. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to 17 18 the allocation of federal funds to the state, the conflicting part of 19 this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not 20 affect the operation of the remainder of this act in its application 21 22 to the agencies concerned. Rules adopted under this act must meet 23 federal requirements that are a necessary condition to the receipt of 24 federal funds by the state.

25 <u>NEW SECTION.</u> Sec. 16. This act is necessary for the immediate 26 preservation of the public peace, health, or safety, or support of 27 the state government and its existing public institutions, and takes 28 effect immediately.

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