

# NOTICE

## TOBACCO MASTER SETTLEMENT COMPLEMENTARY LEGISLATION ACT

DATE: August 14, 2003

TO: ALL TOBACCO PRODUCT MANUFACTURERS

On June 23, 2003, Governor Bob Riley signed into law Act 2003-372, otherwise known as the Tobacco Master Settlement Complementary Legislation Act, with the effective date of this Act being August 1, 2003.

Title 6, Chapter 12, Code of Alabama 1975, requires all tobacco product manufacturers who are not participants in the Master Settlement Agreement (MSA) of November 23, 1998 (NPMs) to place an amount of money into escrow each year based on the number of cigarettes or “roll-your-own” tobacco sold in Alabama in the previous year, provide certification that the escrow deposit was made, disclose any withdrawals from the escrow account, submit a qualified escrow agreement, and send verification from the financial institution that the escrow amount was placed into escrow.

In addition, effective August 1, 2003, Title 6, Chapter 12A, Code of Alabama 1975, will require all tobacco product manufacturers, including NPMs, to provide certain information to the State. The Department of Revenue has created the “Tobacco Product Manufacturers Certificate of Compliance” ([TPM Certificate](#)), on which this information must be reported and upon which a tobacco product manufacturers’ compliance with these new requirements must be certified.

The initial TPM Certificate must be received by the Department of Revenue on or before September 15, 2003. In subsequent years, Certificates must be received by April 30th of each year for the previous sales year.

Further, Title 6, Chapter 12A, Code of Alabama 1975, requires any NPM that is a non-resident of the State of Alabama to either (1) register itself to do business in the State as a foreign corporation or other business entity; or (2) appoint and continually engage, without interruption, the services of an agent in the State to act as agent for service of process, on whom all process may be served in any manner provided by law.

On or about October 31, 2003, the Department will release a Directory of those tobacco product manufacturers that are fully compliant with Alabama law. The Directory will set forth the names of the compliant tobacco product manufacturers, together with those brands and/or brand families of the respective manufacturers, which have been certified by the Department as being fully compliant with the law. The Directory will then be circulated to Alabama’s permitted/registered distributors, who will be informed and directed that only those brands and brand families listed in the Directory will be permitted to be stamped for sale, offered for sale, possessed for sale or sold in the State of Alabama. Brands or brand families not listed in the Directory are contraband and subject to seizure by any law enforcement officer.

The Directory will be available on an ongoing basis on the Department's website, revenue.alabama.gov. Any tobacco product manufacturer that has not returned an initial TPM Certificate to the Department on or before September 15, 2003 will not be listed in the Directory. Nonparticipating tobacco product manufacturers must additionally be in full compliance with Alabama's Escrow Fund for Certain Tobacco Manufacturers (Title 6, Chapter 12, Code of Alabama 1975), in order to be listed.

Further instructions are provided on the form. If you have any questions, please direct them to the following:

Alabama Department of Revenue Sales, Use & Business Tax Division Tobacco Tax Section P.  
O. Box 327555 Montgomery, AL 36132-7555 (334) 242-9627 phone (334) 242-9706 fax

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