

State of California

Office of Administrative Law

In re:
Department of Justice

Regulatory Action:

Title 11, California Code of Regulations

Adopt sections:

Amend sections: 999.12

Repeal sections: 999.13

NOTICE OF APPROVAL OF EMERGENCY
REGULATORY ACTION

Government Code Sections 11346.1 and
11349.6

OAL Matter Number: 2019-0115-01

OAL Matter Type: Emergency (E)

This emergency rulemaking action amends the requirements for establishing and maintaining qualified tobacco escrow accounts and incorporates by reference a revised Approved Tobacco Escrow Agreement (Agreement) to ensure that Non-Participating Manufacturers (NPMs) of tobacco products and their escrow agent banks properly hold, track, and monitor tobacco escrow funds on deposit for the benefit of California. These amendments address issues which have arisen since the prior revision of the Agreement, such as NPMs prematurely accessing escrow principal, the status of reversionary interests in escrow accounts which have been abandoned by NPMs, and failures of NPMs to appoint successor escrow agents after the resignations of their escrow banks.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 1/25/2019 and will expire on 7/25/2019. The Certificate of Compliance for this action is due no later than 7/24/2019.

Date: January 25, 2019



Dale P. Mentink
Senior Attorney

For: Debra M. Cornez
Director

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General

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