



February 20, 2004

**NOTICE TO ALL TOBACCO PRODUCT MANUFACTURERS**

Re: **CALIFORNIA DIRECTORY OF MANUFACTURERS AND BRANDS**  
**FILING DEADLINE: APRIL 30, 2004**  
**DIRECTORY POSTING DATE: JUNE 30 2004**

On January 1, 2004, California enacted a new law, Assembly Bill 71, that affects tobacco sales in California. Among other provisions, A.B. 71 adds section 30165.1 to the Revenue and Taxation Code. Section 30165.1 prohibits the sale of cigarettes and roll-your-own ("RYO") tobacco that are not included on the Directory compiled and maintained by this office. Any person who sells cigarettes or roll-your-own tobacco not included on the Directory commits a criminal offense, as well as a violation of California's Unfair Competition Law and is subject to civil penalties and criminal prosecution.<sup>1</sup>

The purpose of this letter is to provide you with an overview of the newly enacted law, answers to some "frequently asked questions" regarding the new law, and the Certification (JUS-TOB1) and related forms for complying with the new law.

**California's Directory of Tobacco Product Manufacturers & Brands**

As of June 30, 2004, no cigarette or RYO tobacco may be sold, offered or possessed for sale, or imported for personal consumption in California unless its manufacturer and brand family are listed on the Directory established by the Attorney General. No person may affix or cause to be affixed any tax stamp or meter impression to a package of cigarettes or pay the tax on RYO tobacco unless the tobacco product manufacturer and the brand family are listed on the Directory. The Directory will be published, on or before June 30, 2004, at the Attorney General's website: <http://ag.ca.gov/tobacco>.

**The Certification Process**

If you are a tobacco product manufacturer, as defined by California law, and would like your brands to be included in the Directory, you must file a completed "Certification for Listing on

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<sup>1</sup>The text of A.B. 71, Revenue & Taxation Code section 30165.1, emergency regulations, notices, forms and complete instructions for compliance will soon be available on the Attorney General's website at <http://ag.ca.gov/tobacco>.

California Directory" (JUS-TOB1) and submit all required supporting documentation to Attorney General's Office:

Mailing Address:

**Office of the Attorney General  
for the State of California  
Tobacco Litigation & Enforcement Section  
P. O. Box 944255  
Sacramento, CA 94244-2550**

**OR**

Street Address:

**Office of the Attorney General  
for the State of California  
Tobacco Litigation & Enforcement Section  
1300 I Street, Suite 125  
Sacramento, CA 95814**

The Attorney General's Office must receive your initial Certification form and all supporting documentation **on or before April 30, 2004**, and thereafter on or before April 30<sup>th</sup> following each year of sales in California. (Although the forms are not required to be filed with the Attorney General's office until April 30, 2004, it is strongly recommended that they be filed as early as possible so that any deficiencies in the filings may be identified and rectified prior to June 30, 2004, the date the Directory will take effect.)

**The Certification (JUS-TOB1) required by Revenue & Taxation Code section 30165.1 does not replace the Certification of Compliance required to comply with California's NPM Reserve Fund Statute (Health & Saf. Code, §§ 104555-104557). Both forms must be filed on or before April 30, 2004.**

Incomplete certifications will result in exclusion from the Directory. The failure to be in compliance with California's reserve fund law, Health and Safety Code sections 104555-104557, for all cigarettes or RYO sold in California from 2000 until the establishment of the Directory will also result in exclusion from the Directory. The Certification and all other required forms must be completed in English. If any document required to be submitted with the Certification is in a language other than English, a true and correct English translation must be submitted as well.

Upon receipt of the Certification (JUS-TOB1) and other required documentation, the Attorney General's Office will review your Certification and supporting documentation and determine compliance and eligibility for listing on California's Directory of cigarettes approved for stamping and sale.

**Notice of Appointment of Registered Agent & Registered Agent's Statement**

Additionally, if you are a nonparticipating manufacturer that is not registered to do business in California, then you must appoint and continually engage the services of a California resident agent to receive service of process. Enclosed is the "Notice of Appointment of Registered Agent and Registered Agent's Statement" form (JUS-TOB2) which must be completed and sent in with your Certification and other required documentation.

**Allocable Share Amendment & Revised California Escrow Agreement**

Also effective January 1, 2004, California law changed regarding the Allocable Share Provision found in section 3(f)(ii) of California's approved escrow agreement. As a result of this new law, the allocable share provision in section 3(f)(ii) has been eliminated. A copy of California's revised Escrow Agreement form (JUS-TOB6) that complies with Health & Safety Code sections 104555-104557 and AB 71 is enclosed herewith. All nonparticipating manufacturers must submit a copy of the revised California escrow agreement form (JUS-TOB6) as part of the certification process.

**Frequently Asked Questions**

Enclosed with this letter is a list of Frequently Asked Questions (FAQs) with answers thereto. Please review the FAQs handout in its entirety before contacting us with questions. If you do need to contact us regarding section 30165.1, you may leave a recorded message at (916) 565-6486 or send us e-mail at [tobacco@doj.ca.gov](mailto:tobacco@doj.ca.gov). For questions regarding licensing of manufacturers and importers or any other provisions of AB 71, please contact the Board of Equalization at 800-400-7115 and/or the BOE website at <http://www.boe.ca.gov>.

To contact us, please direct your inquiry to:

**TOBACCO LITIGATION AND ENFORCEMENT SECTION  
OFFICE OF THE ATTORNEY GENERAL  
1300 I STREET, SUITE 125  
P.O. BOX 944255  
SACRAMENTO, CA 94244-2550  
VOICEMAIL MESSAGE LINE: (916) 565-6486  
E-MAIL ADDRESS: [tobacco@doj.ca.gov](mailto:tobacco@doj.ca.gov)  
FAX: (916) 323-0813  
WEBSITE: <http://ag.ca.gov/tobacco>.**

Enclosures:

- (1) Excerpt of A.B. 71 (Revenue and Taxation Code section 30165.1),
- (2) Certification for Listing on California Directory & Instructions for completing Certification for Listing on California Directory (JUS-TOB1),
- (3) Frequently Asked Questions (FAQs) handout.
- \* (4) Notice of Appointment of Registered Agent & Registered Agent's Statement (JUS-TOB2), and;
- \* (5) revised California Escrow Agreement (JUS-TOB6).

\* denotes enclosure sent only to Nonparticipating Manufacturers