

March 1, 2001

H 348. INSURANCE FEE REPEALS AND INCREASES. TO REPEAL MISCELLANEOUS FEES PAID BY INSURANCE COMPANIES TO THE DEPARTMENT OF INSURANCE; AND TO INCREASE THE INSURANCE COMPANY LICENSE APPLICATION AND RENEWAL FEES TO MAKE THE REPEALS REVENUE NEUTRAL. As title indicates. Fee increase effected by amendment to GS 58-6-5 increasing from \$250 to \$1,000 the fee for filing and examining an insurance company application for admission.

Intro. by Hurley and Dockham.

Ref. to Insurance	GS 58
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August 27, 2002

H 348. TOBACCO ESCROW COMPLIANCE (NEW). Intro. 3/1/01. Senate committee substitute makes the following changes to 1st edition. Deletes all provisions of previous bill and replaces them with *AN ACT TO IMPROVE COMPLIANCE WITH THE TOBACCO ESCROW STATUTE*. In 1999, as part of the tobacco settlement, the General Assembly created the Tobacco Reserve Fund and required tobacco product manufacturers who were not "participating manufacturers" (as defined by the master settlement agreement) to place certain amounts per unit sold into an escrow fund each year. The purpose of the fund was to provide for the payment of judgments or settlements brought against the nonparticipating manufacturer. This bill requires the Office of the Attorney General to prepare a list of participating manufacturers and all their "brand families" (defined as all styles of cigarettes sold under the same trademark and differentiated from one another by modifiers such as "lights"), and to prepare a separate list of nonparticipating manufacturers who are in full compliance with the tobacco reserve fund act and all their brand families. Makes it unlawful for any person to pay the cigarette tax levied by GS Ch. 105, Art. 2A, Part 2 for cigarettes belonging to a brand family of a nonparticipating manufacturer if the brand family is not on the Attorney General's list. Provides that cigarettes that are otherwise subject to the tax but made ineligible for levy by this law are non-tax-paid cigarettes. Requires nonparticipating manufacturers to annually submit to the Attorney General's office all of the following: a list of all brand families sold for consumption in NC during the previous and current calendar years, a copy of an instrument appointing a process service agent, and a statement certifying, among other things, that the manufacturer is in compliance with the tobacco reserve fund act and that all the required escrow payments have been made. Amends GS 14-401.18(b) to make it a misdemeanor and an unfair trade practice to sell or hold for sale a package of cigarettes that (1) violates federal laws governing the submission of ingredient information to federal authorities, the import of certain cigarettes, or any other federal law or regulation; or (2) contains cigarettes that are non-tax-paid cigarettes. Effective Oct. 1, 2002.

October 1, 2002

H 348. TOBACCO ESCROW COMPLIANCE. Intro. 3/1/01. Senate committee substitute makes the following changes to 2nd edition. Adds new Part 2 to Article 37 of Chapter 66 entitled "Tobacco Escrow Compliance." Adds new section GS 66-292 which incorporates the definitions of "brand family," "nonparticipating manufacturer" and "participating manufacturer" from the previous bill. Deletes the definition of "distributor" and adds new definition of "escrow agreement." Adds new section GS 66-293 which makes it unlawful for a person who is required to pay certain cigarette or other taxes to sell or deliver certain cigarettes from a nonparticipating manufacturer unless the cigarettes are included in the manufacturer's list required by new GS 66-295. New section also authorizes the Attorney General to impose civil penalties for violations and provides that any such cigarettes are considered contraband and are subject to seizure. Adds new section GS 66-294, which imposes certain duties on participating and nonparticipating manufacturers. Participating manufacturers must file an annual list of the manufacturer's brand families with the Attorney General and must notify the Attorney General of any changes to its brand families prior to the change. Nonparticipating manufacturers must appoint a process service agent within the state, submit an annual application to the Attorney General in order to be included on the compliant nonparticipating manufacturers' list, notify the Attorney General of any changes to its list of brand families, make certain required escrow payments, submit an escrow agreement to the

Attorney General, and only deliver cigarettes that are included on the manufacturer's list. The nonparticipating manufacturers' annual application must certify that the manufacturer has met all of the above requirements and include a list of its brand families. Adds new section GS 66-295, which requires the Attorney General to prepare lists of participating and compliant nonparticipating manufacturers and their respective brand families and make such lists available to the public. Requires the Attorney General to provide supplemental lists under certain changed circumstances. Adopts the proposed revisions to GS 14-401.18(5) from the previous version but deletes the proposed addition of new subsection GS 14-401.18(6). Deletes the proposed revisions to GS 105-133.5. Requires the initial lists required by the act to be submitted to the Attorney General by Nov. 1, 2002. Effective date for new GS 66-293 and the revisions to GS 14-401.18 is Jan. 1, 2003. The rest of the act becomes effective when it becomes law.