

T100 (Quarterly Escrow Payment and Certification)
Effective Date: June 30, 2004

**SUBJECT: TOBACCO – QUARTERLY ESCROW DEPOSIT AND
CERTIFICATION
ATTORNEY GENERAL TOBACCO UNIT
ADOPTED PURSUANT TO 33 V.S.A. SECTION 1922
RULE T 100**

T 100.01 Quarterly Escrow Deposit and Certification Requirement
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T 100.01 Quarterly Escrow Deposit and Certification Requirement.

To promote compliance with 33 V.S.A. Chapter 19, Subchapters 1A and 1B, the Attorney General may require nonparticipating tobacco manufacturers quarterly to certify their compliance with Vermont's Nonparticipating Tobacco Manufacturers Act. The Attorney General may also require nonparticipating manufacturers to make the escrow payments required by 33 V.S.A. §1914 in quarterly installments. The Attorney General may require quarterly escrow deposits and certifications of nonparticipating manufacturers who meet any of the following criteria:

- (a) No Previous Escrow Deposit. Nonparticipating manufacturers that have not previously established and funded a qualified escrow fund in Vermont;
- (b) No Escrow Deposit For More Than One Year. Nonparticipating manufacturers that have not made any escrow deposits for more than one year.
- (c) Untimely or Incomplete Deposits. Nonparticipating manufacturers that have failed to make a timely and complete escrow deposit for any prior calendar year;
- (d) Outstanding Judgments. Nonparticipating manufacturers that have failed to pay any judgment, including any civil penalty;
- (e) Large Sales Volume. Nonparticipating manufacturers that have more than 1,600,000 of their cigarettes sold in Vermont during a quarter; and
- (f) Other Reasonable Cause. In addition to the reasons specified above, the Attorney General may require quarterly escrow deposits from a nonparticipating manufacturer if the Attorney General has reasonable cause to believe the nonparticipating manufacturer

may not make its full required escrow deposit by April 15 of the year following the year in which the cigarette sales were made.

T 100.02 Deadline for Quarterly Escrow Deposits.

Nonparticipating manufacturers who are required to make quarterly escrow deposits must do so no later than thirty (30) days after the end of the quarter in which the sales are made. For example, the deadline for making a quarterly escrow deposit for cigarette sales that occurred during the first quarter of the year (Jan-Mar) is April 30 of the same year.

T 100.03 Deadline for Submitting Quarterly Certification and Notice to Attorney General.

Nonparticipating manufacturers who are required to make quarterly escrow deposits must provide the Attorney General with their quarterly certifications and official notification of the quarterly escrow deposit no later than ten (10) days after the deadline for which an escrow deposit is required. For example, the deadline for certifying and officially notifying the Attorney General of a quarterly escrow deposit for sales of cigarettes that occurred during the first quarter of the year (Jan-Mar) is May 10 of the same year.

T 100.04 Quarterly Periods Defined.

For purposes of this subchapter, the calendar year shall be divided into the following quarters: January 1 through March 31; April 1 through June 30; July 1 through September 30; and October 1 through December 31.

T 100.05 Notice to Nonparticipating Manufacturers.

Any nonparticipating manufacturer required to make quarterly escrow deposits and to certify its compliance with this rule shall be notified of those requirements by first class mail sent to its last known address.

T 100.06 Decertification.

If the required quarterly escrow deposit is not timely made in full, or the required quarterly certification is not provided to the Attorney General, or the Attorney General does not receive timely official notice of the quarterly escrow deposit, the nonparticipating manufacturer and its brand families may be decertified and removed from Vermont's Directory of Tobacco Products Approved for Sale in Vermont.