

Instructions for Montana Certificate of Escrow Deposit by Non-Participating Manufacturer

GENERAL INFORMATION

What is the definition of a tobacco product manufacturer?

- Any entity that directly manufactures cigarettes, anywhere that the manufacturer intends to be sold in the United States, including cigarettes that are intended to be sold in the United States through an importer;
- Any entity that is the first purchaser anywhere for resale in the United States of cigarettes manufactured anywhere that the manufacturer does not intend to be sold in the United States; or
- Becomes a successor of any entity described above. Mont. Code Ann. §16-11-402(9).

Who is required to file this certificate of compliance?

- Any tobacco product manufacturer that:
 - (1) sells cigarettes within the state of Montana (whether directly or through any distributor, retailer, or similar intermediary); and
 - (2) has not become a participating manufacturer in the tobacco Master Settlement Agreement executed on November 23, 1998 (the MSA). Mont. Code Ann. § 16-11-403.

If you satisfy these requirements, you must file this certificate to report the units of cigarettes sold in the state of Montana and pay the amount calculated into your qualified escrow fund.

What is a non-participating manufacturer?

- A non-participating manufacturer (NPM) is any tobacco product manufacturer that is not a participating manufacturer. Mont. Code Ann. § 16-11-502(6).

What is a qualified escrow fund?

- An escrow arrangement with a U.S. federal or U.S. state-chartered financial institution having no affiliation with any tobacco product manufacturer and having assets of at least \$1,000,000,000.00 where such arrangement:
 - (1) requires that the financial institution hold the escrow funds' principal for the benefit of the State of Montana or any releasing party located or residing in the State; and
 - (2) prohibits the NPM from using, accessing, or directing the use of the funds' principal except as consistent with Mont. Code Ann. § 16-11-403.

When is this certificate of escrow deposit due?

- This certificate of escrow deposit is to be filed on or before April 30 of the year following the sales year. The sales year is a calendar year from January 1 through December 31.

When must I make my escrow payment?

- You must deposit all of the escrow payment into your qualified escrow fund on or before April 15 of the year following the sales year. After you have made your deposit, forward a copy of your receipt or other proof of deposit from your financial institution to the Montana Office of the Attorney General, along with this signed and notarized certificate of escrow deposit.

SPECIFIC INSTRUCTIONS:

- Part 1: Manufacturer's Identification. Write your name, address, telephone and fax number.
- Part 2: Sales Year. The current sales year is 2008.
- Part 3: Units Sold. Write the number of individual cigarettes and the amount of "roll-your-own" tobacco (.09 ounces constitutes one cigarette) sold during the sales year in Montana.
- Part 4: Escrow Rates and Payments. Multiply the units sold by the appropriate rate for the sales year and write the result as your total deposit to be paid into your qualified escrow account for the applicable sales year.
- Part 5: Financial Institution. Write the name and address of the financial institution holding your escrow account. Include your escrow account number. Also write the total cumulative amount currently in your escrow account for the benefit of Montana.
- Part 6: Signature. An authorized notary public must also sign and date this certificate of compliance.