Changes to the Proposed Text of California Code of Regulations, Title 18, Section 4077,

Tobacco Product Manufacturer

(The changes are illustrated in strikeout and underline)

4077. Tobacco Product Manufacturer.

(a) A tobacco product manufacturer is any person, including any repacker or relabeler, who manufactures, fabricates, assembles, <u>mixes</u>, <u>blends</u>, <u>combines</u>, <u>processes</u>, or labels a finished tobacco product.

The term tobacco product manufacturer includes an owner of a brand or formula for a tobacco product who contracts with another person to complete the fabrication and assembly of the product to the brand or formula owner's standard.

- (b) A retailer who mixes, <u>blendsprepares</u>, or combines <u>a tobacco product that is not in a form suitable for human consumption</u>, <u>such as liquid nicotine</u>, and other <u>ingredients or components to makeof</u> a tobacco product <u>that is suitable for human consumption</u> is a tobacco product manufacturer. A retailer is not a manufacturer solely because the retailer packages liquid nicotine with other items as one unit or allows its customers to mix, <u>blendprepare</u>, or combine liquid nicotine and other components after a sale has been made, or both.
- (c) A retailer is not a manufacturer solely because the retailer packages finished tobacco products, such as cigars, together as one unit or because the retailer mixes, blends, or combines finished tobacco products, such as pipe tobacco.
- (d) A retailer who is not a licensed manufacturer, importer, or distributor must purchase its tobacconicotine products from a licensed tobacco products distributor or wholesaler.

Reference: Authority cited: Section 30451, Revenue and Taxation Code. Reference: Sections 30008, 30010, 30011, 30016, <u>30019</u>, 30103, 30121, 30131.1, 30149, 30210, 30211, and 30212, Revenue and Taxation Code.