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**SENATE BILL NO. 74**

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee on Finance  
on January 25, 2012)

(Patron Prior to Substitute—Senator Watkins)

A *BILL to amend the Code of Virginia by adding a section numbered 58.1-1003.3, relating to roll-your-own cigarette machines; retail establishments.*

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding a section numbered 58.1-1003.3 as follows:**

*§ 58.1-1003.3. Roll-your-own cigarette machines.*

*Any person who maintains, operates, or rents a machine at a retail establishment that enables any person to process at the establishment a product that is made or derived from tobacco into a roll or tube shall be deemed to be a manufacturer of cigarettes, and the resulting product produced at such establishment shall be deemed to be manufactured cigarettes sold to a consumer for purposes of this title, Chapter 42 (§ 3.2-4200 et seq.) of Title 3.2, and Chapter 23.1 (§ 59.1-293.1 et seq.) of Title 59.1. A retail establishment may purchase tobacco that has not been subject to tax pursuant to this title or the requirements of Chapter 42 of Title 3.2, provided that (i) such tobacco may only be sold to consumers for the purpose of making cigarettes on the machines described herein in the establishment, (ii) the retail establishment pays the taxes due on such cigarettes pursuant to this title, and (iii) the retail establishment maintains compliance with the requirements of Chapter 42 of Title 3.2 with respect to such cigarettes. Machines described herein that are sold to a consumer by a retail establishment for private, off-premises use by the consumer, and the resulting product, shall not be subject to the provisions of this section.*

**SENATE SUBSTITUTE**

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