

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: JASON NUTT, ASSISTANT CITY MANAGER, CITY MANAGER'S  
OFFICE  
SUBJECT: TOBACCO RETAIL LICENSE ORDINANCE

AGENDA ACTION: STUDY SESSION

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RECOMMENDATION

The City Manager recommends that the Council, review and provide input on a proposed tobacco retail license ordinance. No action will be taken except possible direction to staff.

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EXECUTIVE SUMMARY

This Study Session will highlight the rationale for considering a Tobacco Retail License, provide an overview of Petaluma's ordinance and similar ordinances in other Sonoma County cities, and present a framework for a Santa Rosa potential ordinance.

BACKGROUND

During the FY 2023-24 Council Goal Setting Workshop, staff was asked to add the evaluation and development of a tobacco retail license similar to the City of Petaluma to the work plan. Staff researched the various tobacco retail license policies throughout the county and discussed various approaches with Impact Sonoma, the division within the County of Sonoma Department of Health Services focused on reducing the use of tobacco products.

Tobacco retail license policies currently exist in the Town of Windsor, the cities of Petaluma, Healdsburg, Cloverdale, Sebastopol, and Sonoma as well as unincorporated Sonoma County. Using policy and data points from these agencies, staff have developed a proposed tobacco retail license policy framework for Santa Rosa, with the policy implemented by the City of Petaluma being the basis.

A 2023 Youth Truth survey shows that Santa Rosa's tobacco use among high school-aged youth mirrors the increasing use trends throughout the county. With the largest city high school-aged population in the county. While the state restricts tobacco sales to those 21 or older, recent tobacco purchase surveys indicate that retailers continue to sell to youth in the community. In 2021, 75 of 156 retailers sold to the decoy minor,

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resulting in a 48% buy rate within the county. In 2023, a non-representative sample of 100 retailers were surveyed, and found that 17 retailers sold to the decoy.

A key policy factor for consideration relates to the number and density of tobacco retailers, which the City of Petaluma incorporated a density cap on the number of retailers while the City of Sonoma banned the sale of tobacco to any new retailers. In 2021, the City of Petaluma adopted a regulation of retail tobacco sales tax. That policy added an annual fee for tobacco retailers allowing them to sell tobacco and be subject to compliance checks and violation enforcement. Their policy outlines protections for youth by restricting new tobacco retailers from locating within 1,000 feet of a youth-oriented area or 500 feet of another tobacco retailer and their density cap only allows one new license per 2,000 residents. In addition, they banned the sale of flavored tobacco products and electronic smoking devices, established a minimum package price, and banned all coupons and discounts for tobacco products. Several agencies have implemented these additional components; however, these are not consistent across all local agencies.

### PRIOR CITY COUNCIL REVIEW

This topic was discussed at the March 9 and 10, 2023 City Council Goal Setting workshop.

### ANALYSIS

Based on the background data presented above and a review of other agency tobacco retail policies and recently adopted policies with the City, the staff proposes Council consider a tobacco retail license ordinance that may include:

1. Caps the number of retailers at the current number of 118 as reported by the State for the calendar year 2023;
2. Imposes a 600-foot radius between new tobacco retailers and schools providing K-12 instruction, daycare centers, youth centers, sports facilities, and parks;
3. Bans the sale of flavored tobacco products including those used in electronic devices (as this exceeds the state ban on flavored tobacco);
4. Establishes a minimum package size and pricing for various tobacco products;
5. Grandfather in and not require current tobacco retailers to conform with the 600-foot radius requirements until an ownership transfer is requested at which time the retail location must comply with all sections of the policy.
6. The council can also direct staff to evaluate and return with a pack size and price component;
7. Development of a Memorandum of Understanding with Sonoma County Department of Health Services that would allow the County department to collect fees from the annual Tobacco Retail License fees allowing them to conduct annual inspections of the retailer's compliance with the ordinance. Citations resulting from the inspections would be followed up by City Code Enforcement however, the County has found that the retailers do not violate as they want to maintain their

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license. Should a retailer violate a second time a fee will be imposed, and the third violation will permanently revoke their tobacco retail license.

Finance, Code Enforcement, and Planning and Economic Development have been consulted regarding the potential staff and financial impacts that could result from this policy and it has been determined to be less than significant at this time.

### FISCAL IMPACT

Approval of this action may have a fiscal impact on the General Fund. Potential sales tax loss is not currently measurable.

### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project that has the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

### NOTIFICATION

Not applicable.

### ATTACHMENTS

None.

### PRESENTERS

Cindy Benzerara, Administrative Support Supervisor, City Manager's Office  
Jason Nutt, Assistant City Manager, City Manager's Office