



# Adding Annual Retail Tobacco License Fee to the Santa Rosa Master Fee Schedule

November 12, 2024

Jason Nutt, Assistant City Manager

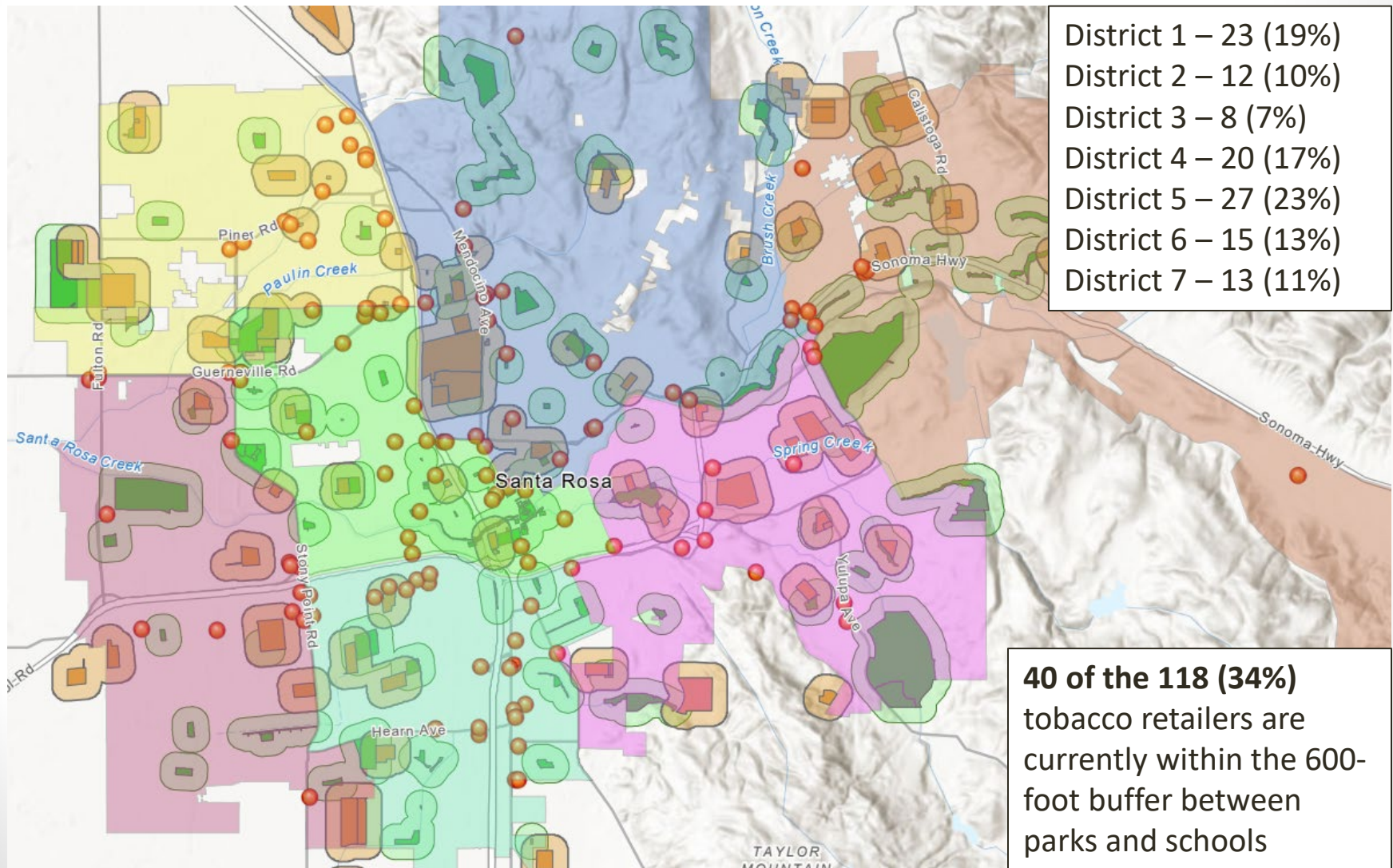
# TRL Purpose

Licenses provide important public safeguards in the regulation of hazardous and potentially harmful products and businesses.

- Proactive rather than reactive compliance monitoring
- Improves compliance with business standards and laws
- For tobacco sales, research confirms that TRLs can:
  - Reduce sales, access and use of tobacco to underage youth and young adults
  - Reduce sales of illegal products
  - Reduce tobacco-related health inequities
- Create a mechanism for policy adoption that is nimble and responsive to our local issues.
- Create an even playing field for tobacco retailers

# Parks & Schools Buffer - 600 ft

May 2024



# TRL Fee Justification

**6-20.100 Fee for License.** The fee to issue or to renew a tobacco retailer's license shall be established from time to time by resolution of the City Council. The fee shall be calculated so as to recover the cost of administration and enforcement of this Chapter including, but not limited to, issuing a license, administering the license program, tobacco retailer education, tobacco retailer inspection and compliance checks, documentation of violations, and prosecution of violators, but shall not exceed the cost of the regulatory program authorized by this Chapter. All fees and interest upon proceeds of fees shall be used exclusively to fund the program. Fees are nonrefundable except as may be required by law.

# TRL Fee Justification

- Per Government Code Section 50076, the TRL fee will not exceed the estimated reasonable cost of providing the service or regulatory act for which the fee is charged.
- The TRL fee is not being levied for general revenue purposes and is not a special tax as defined in Article 3. 5 of the Government Code.
- The TRL fee and charges described are not taxes as defined in Article XIII A, §3 (b) (Proposition 26), of the California Constitution.

# TRL Fee Justification

- At your July 23, 2024, meeting you authorized the City Manager to enter into a Memorandum of Understanding (MOU) with the Sonoma County Department of Health Services (DHS) to manage the TRL program, process and compliance efforts.
- The MOU will be signed by the City Manager following the approval of the TRL fee.
- The Board of Supervisors will consider approval on December 10, 2024.

# TRL Fee Justification

In anticipation of the MOU approval, DHS has developed a TRL fee and associated justification.

- Administration of TRL License
  - Development of TRL application
  - Receive, process and issue new and renewal TRL applications
  - TRL license management and tracking
  - Provide education to retailers and their employees

# TRL Fee Justification

- Compliance visits include:
  - On-site inspection of retail areas for compliance with State and City regulations, including the recently adopted additions to Chapter 6-20 of the Santa Rosa City Code.
  - Conducting follow-up on-site inspections as needed to provide retailers an opportunity to correct violations.
- Provide referrals and coordinate issuance of violations with Code Enforcement.
- Provide support to Code Enforcement during appeal hearings.

# TRL Fee Justification

- Fee will be determined based on the number of State issued licenses on the date the TRL ordinance was adopted – September 7, 2024
  - Smokeshop = 13
  - General Retailer = 105
  - Total Retailers = 118
- Fees calculated for both 1 and 2 annual compliance visits.
- Fees associated with 1 compliance visit between January and June 2025.
- Costs associated with compliance follow-up visits are currently covered through a DHS secured DOJ grant.

# TRL Fee Justification

	01/25-06/25	1 Annual	2 Annual
<b>Personnel (FTE)</b>	\$35,230.92 (0.23)	\$58,515.02 (0.38)	\$75,889.35 (0.50)
<b>Operations</b>	\$2,378.21	\$3,492.26	\$5,563.50
<b>Indirect (20%)</b>	\$7,521.83	\$12,401.46	\$16,290.57
<b>Total</b>	\$45,130.96	\$74,408.73	\$97,743.42
<b>Annual TRL Fee</b>	<b>\$382</b>	<b>\$631</b>	<b>\$828</b>
<b>Initial 18 Months</b>		<b>\$1,013</b>	<b>\$1,210</b>

- Other Sonoma County jurisdictions conduct 1 annual compliance visit.
- Figures are shown in more detail in Exhibit A of the Resolution

# Recommendation

It is recommended by the City Manager's Office that the Council: 1) hold a public hearing to discuss adding an annual Tobacco Retail License Fee; 2) by resolution add an annual Tobacco Retail License Fee associated with one compliance visit per fiscal year to the Santa Rosa Fee Schedule as Section 7.07, effective January 1, 2025.