



**ITEMS FOR
DISCUSSION/ACTION
Agenda Item # 6**

AGENDA REPORT SUMMARY

Meeting Date: February 11, 2020

Subject: Ordinance No. 2020-469: Tobacco Retailer License

Prepared by: Trevor Marsden, Management Analyst Fellow

Reviewed by: Jon Maginot, Deputy City Manager

Approved by: Chris Jordan, City Manager

Attachment(s):

1. Ordinance 2020-469

Initiated by:

Staff

Previous Council Consideration:

None

Fiscal Impact:

Annual licensing fee that will be decided by the City Council after approval.

Environmental Review:

Not Applicable

Policy Question(s) for Council Consideration:

Does the City Council wish to approve the Tobacco Retailer License Ordinance?

Summary:

- The City of Los Altos currently has no laws regarding the selling of any type of tobacco or tobacco products.
- Rising youth tobacco usage, especially with electronic smoking devices (vaping), has encouraged municipalities to pass more restrictions banning certain types of tobacco and tobacco products.
- Santa Clara County has increased the amount of restrictions on selling tobacco in recent years and has encouraged individual cities to adopt these restrictions, through the adoption of a tobacco retailers license.
- These tobacco retailers license have specific restrictions on what kinds of tobacco and what tobacco products can be sold, along with location restrictions and advertising limits.
- Passing this ordinance would force Los Altos businesses to obtain this license, thus restricting them from selling certain forms of tobacco and products.

Reviewed By:

City Manager

CJ

City Attorney

JH

Finance Director

SE



Subject: Request from the Friends of the Los Altos Library to Utilize Land on the Civic Center Campus

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- The largest difference from the County's ordinance is that the enforcement and licensing fees will remain in Los Altos instead of being handled by the County.

Staff Recommendation:

Introduce and waive further reading of Ordinance No. 2020-469 adding Article 4.48 of the Los Altos Municipal Code regarding a tobacco retailer license.

Purpose

The City Council is requested to approve the Tobacco Retailers License ordinance, adding Article 4.48 to the Los Altos Municipal Code.

Background

With rising rates of tobacco usage among youths, especially in regard to electronic smoking devices, the City of Los Altos decided to enact the County policy regarding the selling of tobacco and tobacco products. The County policy is that businesses that wish to sell tobacco must get a tobacco retailers license. This license has several restrictions, discussed below. This license also allows for more local control over enforcement. The County's licensing fee is \$425. The City Council will have a chance to approve the fee after this ordinance has passed.

Discussion/Analysis:

This ordinance is new for the city of Los Altos, but it is similar to Santa Clara County's ordinance. The biggest restrictions are discussed below:

- **Restrictions on Flavored Tobacco, except for specific retailers**

Flavored Tobacco is one of the leading reasons that youth get addicted to tobacco. By banning the sale of flavored tobacco in most retailers, youth have less exposure to the products and less accessibility. The electronic cigarette market has pushed flavored tobacco, especially flavors that were marketed specifically for youths (i.e. cotton candy, mango, etc.). This restriction bans those flavors from being sold anywhere youth can be. The only retailers allowed to continue selling flavored tobacco are retailers that primarily sell tobacco, generate more than 60% of their gross revenue from tobacco, does not permit anyone under 21 to enter, and does not sell alcoholic beverages or food on the premise. These retailers must post signs outside that informs persons under twenty-one (21) that they are prohibited.

- **Businesses must obtain a Tobacco Retailers License**

Any business that wants to sell tobacco must now obtain a Tobacco Retailers License. The license is issued by the City of Los Altos and the fee will be decided by



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the City Council. These annual permits must be renewed yearly and can be pulled if the retailer is in violation of these rules.

- **Prohibition on Sale and Distribution of Electronic Cigarettes**

After June 30th, 2020, no retailer will be able to sell or distribute electronic cigarettes.

Outreach

Outreach for this ordinance includes three letters mailed to all of the tobacco retailers in the City of Los Altos, the first mailed on January 14th, and the second mailed on January 21st, and the third mailed on February 4th. The staff report was also posted online, and social media was used to communicate the information to the public.

Options

1) Approve the ordinance

Advantages: Restriction on harmful tobacco and tobacco products, limited access by youth to flavored tobacco products

Disadvantages: Limited tobacco products to legal aged adults, and monetary cost for retailers

2) Do not approve the ordinance

Advantages: Status Quo

Disadvantages: Status Quo

Recommendation

The staff recommends Option 1