



State & Local Tobacco Retail Licensing Policies

How has the state's tobacco retail licensing program changed with the new laws passed in 2016?

As of January 1, 2017, all tobacco retailers are required to apply for a retail license with a fee of \$265. The fee must be paid and the license renewed each year. All tobacco retailers, including those selling e-cigarettes only, must participate in the licensing program. Prior to this recent legislation, the state's licensing requirements only applied to retailers selling traditional tobacco and required just a one-time, \$100 fee.

Why does my community still need its own tobacco retail licensing program?

The state's tobacco retail licensing program is primarily intended to target and fund the enforcement of cigarette tax evasion and black market sales. The state's program doesn't fund enforcement of minimum age to purchase and doesn't include any provisions to further regulate tobacco sales. Local tobacco retail license programs generate fees which fund enforcement of tobacco laws, including minimum age to purchase, and may include extra plug-in policies that go even further to regulate where and how tobacco products are sold.



State-level tobacco retail license:

- Annually renewable
- \$265 each year
- Targets cigarette tax evasion and black market sales
- Doesn't fund local enforcement
- Doesn't include extra retail policies

...both traditional and e-cigarette retailers must participate in the state's tobacco retail licensing program!



Local tobacco retail licenses:

- Should be annually renewable and include sufficient fees
- Fund local-level enforcement of minimum purchase age requirements
- May include plug-in provisions to restrict location of tobacco retailers, types of tobacco allowed to be sold, etc.

...retailers that only sell e-cigarettes don't have to have a local license unless the local policy specifically includes e-cigarettes in its definition of tobacco!

What's the best way to ensure tobacco retail environment regulations are enforced in my community?

Your community should work towards implementing a local, annually-renewable tobacco retail license program with an annual fee sufficient to administer the program and cover enforcement efforts. ChangeLab Solutions offers model policy language that provides guidance on how to best structure your local tobacco retail license. See here: <http://www.changelabsolutions.org/publications/model-TRL-Ordinance>.

Examples of how state and local tobacco retail license policies might interact:

SCENARIO #1

Anytown, CA has no local tobacco retail license program. Tobacco retailers in the town, including e-cigarette retailers, must apply for the state's license, renew annually, and pay the \$265 annual fee. The fees paid by the retailers for their state licenses fund state-level programs to combat tax stamp evasion and black market tobacco sales. The town may have difficulty enforcing minimum age to purchase laws because they have few resources to expend on enforcement.

SCENARIO #2

Residents of Pleasantville, CA have had a tobacco retail license program for a number of years. However, the definition of tobacco used in their policy only includes combustible tobacco products, not e-cigarettes. Retailers that sell traditional tobacco products must apply for both the state and local retail licenses. Retailers that only sell e-cigarettes must apply for the state license but do not have to apply for the local license. Because Pleasantville isn't collecting licensing fees from e-cigarette retailers, they will have a smaller budget to combat enforcement of minimum age to purchase laws. Also, any plug-in policies they adopt (for example, limiting the location of retailers within a certain distance of schools) will not apply to e-cigarette-only retailers.

SCENARIO #3

Smalltown, CA recently passed an ordinance establishing a local tobacco retail license program. Their definition of tobacco products includes e-cigarettes. All retailers that sell tobacco, including vape shops that only sell e-cigarettes, will have to apply for the local tobacco retail license in addition to the state tobacco retail license. The revenue generated from the local licenses will fund robust enforcement efforts, including compliance checks to ensure stores aren't selling tobacco to anyone under 21 years old. If the city council later decides to adopt retail plug-in policies, those will also apply to e-cigarette-only retailers.