



PUBLIC WORKS

CITY OF  
**PALO  
ALTO**

2501 Embarcadero Way  
Palo Alto, CA 94303  
650.329.2598

September 1, 2017

**Re: Proposed Tobacco Retail Permit Ordinance**

Dear Store Owner:

A Tobacco Retail Permit (TRP– also referred to as a license) Ordinance is being considered by the City of Palo Alto. It is designed to implement protective tobacco retail practices since the California state tobacco retail licensing law has been insufficient in reducing illegal tobacco sales to minors. Although retailers pay an annual fee to the State Board of Equalization (BOE), the funds are used to enforce tobacco tax regulations. No portion of these funds is used to enforce the law restricting tobacco sales and no state licensee has ever been penalized by the BOE for selling tobacco to minors. To address this concern, California cities can adopt additional local TRP ordinance requirements. Currently 133 towns, cities, and counties within California have adopted local TRP ordinances including Campbell, County of Santa Clara, Gilroy, Los Gatos, Morgan Hill, San Jose, and Saratoga.

**Effective July 1, 2018 the proposed ordinance would:**

1. **Prohibit all pharmacies from selling tobacco products;**
2. **Require all Palo Alto establishments selling tobacco products to obtain a Tobacco Retail Permit from the County of Santa Clara Department of Environmental Health.** Permit conditions would require:
  - a) an annual permit renewal;
  - b) an annual inspection of the premises for compliance with the City's TRP requirements by City or County staff;
  - c) a TRP to be displayed in a publicly visible location at the permitted location.
3. **Include fines for permit violations.**
4. **Allow permit suspensions and revocation for violations.**

**Effective January 1, 2019 the ordinance would prohibit:**

5. **Sales of flavored tobacco products** (note: an exemption exists in the draft ordinance for retailers who primarily sell tobacco products, generate more than 60 percent of its gross revenues annual for tobacco sales, do not sell food or alcohol for onsite consumptions, and comply with the ordinance age and signage requirements);
6. **Self-service displays of tobacco products;**
7. **Any new tobacco retailing** within 1,000 feet of a public or private school (k-12) or within 500 feet of another tobacco retailer (existing Palo Alto retailers other than pharmacies would be exempt from this requirement until the business transfers ownership). Visit [www.cityofpaloalto.org/smokingordinance](http://www.cityofpaloalto.org/smokingordinance) to see if your location is within the 500 or 1,000 foot requirements listed above.

## Background

Tobacco use is the number one preventable cause of death and disease in California, killing nearly 40,000 Californians every year. The 2012 Surgeon General's Report found that about 90 percent of all smokers first tried cigarettes as teens, and that about three of every four teen smokers continue into adulthood. Further, young adults, ages 18 to 24, have the highest smoking prevalence among any age group according to the California Department of Public Health.

In 2017, the City of Palo Alto adopted revisions to the City's existing Smoking and Tobacco Regulations (Ordinance 9.14) to address these health concerns. The ordinance prohibits smoking in designated public spaces, including outdoor dining areas, entryways, public events, recreation areas, and service areas and multi-family residential units. During the discussion, the City also recognized studies showing that limiting where tobacco is sold can curtail youth use, access and exposure to tobacco products. Council therefore directed staff to develop a Tobacco Retail Permit Ordinance.

**The City of Palo Alto is currently scheduled to consider the proposed Tobacco Retail Permit Ordinance on Monday, September 18 at 6pm, at its City Council Meeting (held in the City Council Chambers at 250 Hamilton Avenue, Palo Alto).** Council agenda dates and discussion times are subject to change. If you plan to attend the meeting, visit [www.cityofpaloalto.org/gov/agendas/council/default.asp](http://www.cityofpaloalto.org/gov/agendas/council/default.asp) in advance to ensure that the meeting date or discussion time has not been revised. You may also submit comments to City Council by emailing [city.council@cityofpaloalto.org](mailto:city.council@cityofpaloalto.org).

Draft ordinance language and additional information is available at [cityofpaloalto.org/smokingordinance](http://cityofpaloalto.org/smokingordinance). For additional information, email [smokingordinance@cityofpaloalto.org](mailto:smokingordinance@cityofpaloalto.org), or call 650.329.2122.

Sincerely,

Phil Bobel  
Public Works Assistant Director  
Environmental Services Division



[cityofpaloalto.org](http://cityofpaloalto.org)