



SUMMARY REPORT

Agenda Date: 5/17/2022

To: County of Sonoma Board of Supervisors
Department or Agency Name(s): Department of Health Services
Staff Name and Phone Number: Tina Rivera, 565-4774
Vote Requirement: Majority
Supervisorial District(s): Countywide

Title:

Tobacco Retailer License Administration Agreement - City of Petaluma

Recommended Action:

Authorize the Director of Health Services, or designee, to execute a memorandum of understanding with the City of Petaluma for the County to receive revenue for providing administration and enforcement of the Tobacco Retailer License program for the City of Petaluma for the period July 1, 2022 through June 30, 2023.

Executive Summary:

The Department of Health Services is requesting approval of a memorandum of understanding with the City of Petaluma under which the County of Sonoma will provide administration and enforcement activities associated with the City of Petaluma's recently enacted Tobacco Retailer License ordinance. The County will collect and retain license fees from an estimated 51 tobacco retailers doing business in the City of Petaluma.

Projected fee revenue of \$26,775 per fiscal year will cover the cost of providing administration and enforcement services including two annual retailer site visits.

Discussion:

On December 6, 2021, the City of Petaluma unanimously approved an ordinance requiring licensure of tobacco retailers in the City of Petaluma. The ordinance was developed with technical support from the County of Sonoma Department of Health Services. The comprehensive ordinance includes a \$10 minimum price that applies to the pack size, and limits on cigars and little cigars. Other major provisions include a ban on the sale of flavored tobacco products, including menthol, and prohibits the sale of e-cigarettes.

The City of Petaluma ordinance (Chapter 8.21 - Regulation of Retail Tobacco Sales) was developed with language that delegates authority to the Department of Health Services to administer and enforce the regulation and sale of tobacco products and paraphernalia requiring a tobacco retailer license (Section 8.21.140). The Department of Health Services is requesting approval to enter into a memorandum of understanding with the City of Petaluma under which the Department of Health Services will provide administration and enforcement services related to the City of Petaluma Retailer License program. Health Services staff currently administer the County's Tobacco Retailer License program, as well as the Town of Windsor's program, and have the systems and procedures in place to efficiently provide tobacco retail license program administration and enforcement activities to the City of Petaluma.

Under the memorandum of understanding, the Department of Health Services will have authority to conduct education and two compliance visits in a 12-month period to a retailer, with the City of Petaluma providing

final decision on any potential suspension or revocation of a license. The memorandum of understanding details the roles and responsibilities of the County and the City of Petaluma and will be in a form substantially similar to Attachment 1. Under the terms of the memorandum of understanding, the County will collect and retain the license fees from an estimated 51 tobacco retailers doing business in the City of Petaluma. The projected fee revenue of \$26,775 per fiscal year will cover the cost of providing the administration and enforcement services including two annual retailer site visits.

The Department of Health Services will monitor costs associated with providing the agreed upon services to the City of Petaluma. Should revenue from the collection of fees not cover the cost of providing the services, the Department will work with the City of Petaluma to determine an appropriate adjustment to Petaluma's Tobacco Retailer License fee. It is important to note that the City of Petaluma will retain responsibility for setting the Tobacco Retailer License fee amount and for ensuring compliance with Proposition 26.

References:

Chapter 8.21 - Regulation of Retail Tobacco Sales - <https://petaluma.municipal.codes/Code/8.21>

Strategic Plan:

N/A

Prior Board Actions:

On October 5, 2021 the Board approved a memorandum of understanding with the Town of Windsor for the County to receive revenue for providing administration and enforcement of the Tobacco Retailer License program for the Town of Windsor for the period July 1, 2021 through June 30, 2026.

On April 19, 2016 the Board adopted an ordinance (as amended) adding Chapter 32A (Licensure of Tobacco Retailers) to the Sonoma County Code to require the licensure of tobacco retailers within unincorporated Sonoma County.

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Budgeted Expenses		26,775	26,775
Additional Appropriation Requested			
Total Expenditures	0	26,775	26,775
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		26,775	26,775
Use of Fund Balance			
Contingencies			
Total Sources	0	26,775	26,775

Narrative Explanation of Fiscal Impacts:

Fee revenue in the amount of \$26,775 will be added to the FY 22-23 budget via the consolidated budget adjustments process. Projected revenue for succeeding years will be included in the appropriate fiscal year

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budget.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Memorandum of Understanding with the City of Petaluma

Related Items "On File" with the Clerk of the Board:

None