



Tobacco license fees increase for retailers

By Liz Neely
STAFF WRITER

June 28, 2008

EL CAJON – El Cajon's tobacco licensing ordinance is working, a youth advocacy group said this week, because fewer stores are selling cigarettes to minors.

But the costs associated with enforcing the law are much higher than city officials expected. When retailers renew their tobacco license at the end of the year, they may be surprised to learn the annual fee has jumped from \$198 to \$675.

Raul Cortes of the Neighborhood Market Association, called the higher fee “outrageous” and said it's unfair to make law-abiding retailers pay for the sins of the lawbreakers.

“It's almost punishing responsible retailers for selling a legal product,” said Cortes, director of government relations for the group, which represents merchants in California, Nevada and Arizona.

The City Council adopted the licensing ordinance in 2004 to curb underage smoking. El Cajon was the first city in the county to adopt such a law. Vista and San Diego have followed with similar ordinances.

El Cajon's law requires all merchants who sell tobacco to obtain a city license. If retailers violate the law by selling to minors, failing to ask for ID or not displaying the proper signs, they risk a \$1,000 fine or a 30-day license suspension. Subsequent violations result in more harsh penalties. Retailers can also request an administrative hearing.

The law requires annual compliance checks and the fee retailers pay is supposed to cover the costs of enforcement, but that hasn't been the case so far.

El Cajon has two code enforcement officers who spend some of their time issuing and renewing the licenses and checking for compliance. The El Cajon youth advocacy group Communities Against Substance Abuse or CASA, has picked up most of the tab for the undercover operations. The city is shouldering the costs associated with the administrative hearings.

Nine hearings have been held so far and all have been decided in the city's favor. Still, they've turned out to be more expensive than expected, city officials said.

Evelyn Hogan, a prevention specialist with CASA who also coordinates the undercover operations using youth decoys, said it's likely the number of hearings, and therefore the costs, will decrease as retailers become more familiar with the law. The number of stores caught selling to minors has already decreased dramatically, she said.

A survey conducted by CASA from November to May tested 113 stores, 12 of which sold cigarettes to minors. In 2006, 24 of the 110 stores surveyed sold to minors.

There are about 125 stores in El Cajon that sell cigarettes and other tobacco products, though the number changes. The council crafted the law after a 2004 survey conducted by CASA found that 32 of 80 El Cajon stores sold tobacco to minors.

“Just the act of passing a tobacco retailer license is powerful, but it isn't until you enforce it and they realize that you are going to enforce it that you get better compliance,” Hogan said.

Councilman Gary Kendrick, who pushed for the law, called it “a spectacular success.”

“The people that sell the dangerous product are now paying for policing,” Kendrick said.

Many tobacco retailers were opposed to the law from the start. They said they were already taxed enough, and enforcement of the law should be done by police, not advocacy groups. When the law was adopted in 2004, the city set the licensing fee at \$511 but protests from retailers resulted in higher fines and the lower annual fee of \$198.

The fee was raised to \$675 April 1 after the council voted to update the fees it charges for various city services. Cities are not allowed to make money from fees but they can charge for the cost of performing the service, including staff time.