



# San Luis Obispo County Tobacco Control Program

Tobacco Retail Licensing in  
the City of San Luis Obispo  
2003



# First Step – CX Assessment 2000

- Licensing was studied during the first CX assessment.
- Before licensing was included as an objective in the 2001-04 new plan, Coalition and staff needed education about pros and cons.
- Received initial information from the ALA Key Opinion Leaders Survey – Community Assistant Project & attended a Regional training.
- SLOTCC members rated it as a high priority.



# Workplan Objective

- By June 30, 2004, a minimum of 2 jurisdictions within San Luis Obispo County will adopt tobacco retail licensing policies.
- Additional research was needed to determine which two communities to approach.
- Why the City of SLO first?
  - SLO's history with Tobacco Control and knowledge of council, police and city administration
  - First city to adopt smoke-free worksite law and a self service display ban



# Other Influencing Factors

- Stings had been conducted since 1995.
  - June 1995 = 14% illegal sales rate
  - June 1996 = 38% illegal sales rate
  - Sept 1997 = 0% illegal sales rate
  - February 1999 = 5% illegal sales rate
  - November 2002 = 52% illegal sales rate



# Launching the Objective

- Decided to move forward with this objective earlier than planned based on the November sting.
- Prior to any other activity, we chose a champion.
- Preliminary education was done with council member champion and city staff prior to council meeting. It was important they understood the issue.



# Launching the Objective

- Coalition suggested the city adopt a licensing policy during public comment at a council meeting.
- The council champion supported the suggestions of the coalition and recommended that city staff research ways the youth access problem could be addressed, including licensing. All 5 council members concurred.



# Launching the Objective

- This is where Tobacco Control staff stepped in.
- Staff researched all of the licensing ordinances that had passed and made calls to counties to learn about challenges, barriers, suggestions, tips and most of all who had the most comprehensive ordinance.
- Chose Berkeley's ordinance as a model.



# Launching the Objective

- Identified holes or areas of weakness in our chosen model.
- Areas we wanted to bolster: Penalties for noncompliance, the amount of the licensing fee, and designating some of the licensing fee money be for enforcement.



# Launching the Objective

- Developed model. Worked very closely with Randy Kline from TALC.
- Developed education packet which was distributed by coalition to all council members, city attorney, city administration and the chief of police. Items included list of other counties with licensing, newspaper article regarding the sting, sample ordinance, pros/cons, county vs. state stats, etc.



# Launching the Objective

- TCP staff had numerous meetings with the city attorney and city staff. The purpose was to get feedback and assist them with their research regarding the youth access problem in SLO.
- Meetings were to educate them about licensing and how it could be a reasonable, sound solution to the youth access problem.
- TCP Staff provided the model, the justification for such an ordinance, statistical data that supported licensing, etc.



# Launching the Objective

- TCP Staff met with police chief.
- TCP Staff assured the chief that we would collaborate on an ongoing basis to provide the police department with any help or support that we could. (e.g. researching preliminary enforcement costs, providing and training youth to do the stings, and assisting with any notification to the retail locations).



# Launching the Objective

- TCP staff provided city staff with cost/revenue scenarios to assist them in determining the licensing fee. Variables included:
  - Number of known tobacco retailers in the City of San Luis Obispo = 46
  - Minimum time expenditure per store for a “no sale” = approx. 5 min.
  - Maximum time expenditure per store for a “completed sale” = approx. 15 min.
  - Per hour charge for 2 undercover officers = \$63.52



# Cost Scenario 1

(100% of tobacco retail outlets are checked)

- A reasonable **maximum** outcome of an undercover minor decoy sting could result in 50% of the retail outlets selling to the minor and 50% do not. The associated cost would be as follows:
- 23 stores (1/2 of 46) sell = 23 stores @ 15 min. per store = 345 minutes
- 23 stores do not sell = 23 stores @ 5 min. per store = 115 minutes
- 2 hours driving time = 120 minutes
- **Total Enforcement Cost**
  - 9.76hrs. x \$63.52/hr.=\$614.24(per sting)
  - \$2,456.96(4 stings per year)



## Cost Scenario 2

(100% of tobacco retail outlets are checked)

- A reasonable **minimum** outcome of an undercover minor decoy sting could result in 0% of the retail outlets selling to the minor. The associated cost would be as follows:
  - 46 stores do not sell = 46 stores @ 5 min. per store = 230 minutes
  - 2 hours driving time = 120 minutes
  - Total Enforcement Cost
    - **\$370.32(per sting)**
    - **\$1,481.28(4 stings per year)**



# Revenue Estimates

- It was important to show the city that licensing would raise \$\$ to cover the cost of administration and enforcement.
- TCP staff prepared two scenarios regarding revenue.



## Revenue Scenario 1: \$100 fee

- 46 tobacco retail outlets x \$100 per outlet  
= **\$4,600.00**
- \$4,600.00 less \$2456.96 (4 stings per year  
at the reasonable maximum scenario)  
equals **\$2,143.04** available for  
administration and other expenditures per  
year.



## Revenue Scenario 2: \$200 fee

- 46 tobacco retail outlets x \$200 per outlet  
= **\$9,200.00**
- \$9,200.00 minus \$2456.96 (4 stings per year at the reasonable maximum scenario) equals **\$6,743.04** available for administration and other expenditures per year.



# City Council Meetings

- It took three meetings for the ordinance to pass.
- **First meeting** = Council explored several youth access issues including signage, conditional use permits, and licensing. TCP Staff focused on licensing during presentations, city staff (including the enforcement) agency agreed licensing was the most effective option for youth access concerns.



# City Council Meetings

- **Second meeting** = First reading of the ordinance. City staff brought back an ordinance that included all the components we had urged them to include. [e.g. providing teeth to the penalties and a guaranteed method to provide funding for the tobacco stings. (\$255/yr) Without the stings and a consistent way to enforce the law it might just end up as another law that wouldn't be effective because it lacked the resources and tools to get the job done.]



# City Council Meetings

- Coalition members, youth leader, business owner testified in support (avoided overkill but we were prepared with talking points, facts and even an explanation of Prop 10 vs. Prop 99).
- Some owners testified in opposition saying they all follow the law.
- 52% illegal rate countered their statements.
- 4-1 vote in favor (one council member decided licensing would tax owners who sold a legal product).



# City Council Meetings

- **Third meeting** = merely process.
- Council members were ready to pass it with little discussion.
- Passed 4-1 with the same council person voting no.



# Summary

- Did our homework.
- Prepared education packages that were easy to understand and complete.
- Proposed a very comprehensive ordinance that would provide \$\$ for enforcement.
- Provided help to city staff regarding development and research.
- Pledged continued support.



# Countering AB 71

- SLO's ordinance pays for enforcement, AB 71 does not.
- SLO's ordinance has penalties that make tobacco retailers take it seriously, AB 71 does not.
- SLO's ordinance addresses a local concern of illegal sales to local youth, AB 71 concentrates more on recovery of evaded excise taxes.



# Contact information

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