

**ENFORCEMENT COSTS AND REVENUE
RELATED TO A TOBACCO LICENSING PROGRAM
Estimates for Enforcing Penal Code 308(a)**

Produced by

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Enforcement of Penal Code 308(a) would include undercover stings using minors as decoys. To be effective the number of stings should be at least 3 and preferably 4 per year. Billing amount per hour (\$63.52) was provided by the San Luis Obispo City Police Department and is the amount currently used. The following cost examples include estimated minimum and maximum time expenditure per store, the known number of tobacco retail outlets in the City of San Luis Obispo, and estimated driving time per sting. The cost examples are organized into various scenarios based on experiences from past enforcement activities. Variables include the following:

- *Number of known tobacco retailers in the City of San Luis Obispo = 46
- *Minimum time expenditure per store for a “no sale” = approx. 5min.
- *Maximum time expenditure per store for a “completed sale” = approx. 15min.
- *Per hour charge for 2 undercover officers = \$63.52

Enforcement Cost Examples:

1. Cost example for 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 (5.75hrs)
23 stores do not sell = 23 stores @ 5 min. per store = 115 minutes (1.92 hrs)

Total Time at Stores	Total Driving Time	Time at stores + Driving time	Total Enforcement Cost
345min. + 115min.		7.67hr. + 2hr.	9.76hrs. x \$63.52hr.
=		=	=
460 min. (7.67hrs.)	120min (2hrs.)	9.67 hrs.	\$614.24 (per sting)
			\$2,456.96 (4 stings per year)

2. Cost example for 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 (3.83 hr.)

Total Time in Stores	Total Driving Time	Time at stores + Driving time	Total Enforcement Cost
		3.83hr. + 2hrs.	5.83hrs. x \$63.52 hrs.
		=	=
230min (3.83hrs.)	120min (2hrs.)	5.83 hrs.	\$370.32 (per sting)
			\$1,481.28 (4 stings per year)

REVENUE ESTIMATES

Requiring every tobacco retail outlet in the City of San Luis Obispo to purchase an annual license to sell tobacco products would raise enough revenue to support the cost associated with administering the licensing program and enforcing the PC 308(a) law. The amount of revenue would depend on the amount charged to purchase the license. Given the number of known tobacco retailers in the City of San Luis Obispo, the following calculations can be made to estimate the amount of potential revenue collected.

Revenue Scenario 1: \$100 fee to purchase license.

46 tobacco retail outlets x \$100 per outlet = **\$4,600.00**

\$4,600.00 minus \$2456.96 (4 stings per year at the reasonable maximum scenario) equals **\$2,143.04** for administration and other expenditures per year.

Revenue Scenario 2: \$200 fee to purchase license

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** for administration and other expenditures per year.