



CITY MANAGER'S OFFICE

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CITY COUNCIL STAFF REPORT

Meeting: November 19, 2019

Subject

Second reading of Municipal Code Amendments to the Cupertino Municipal Code, Title 5, adopting new policies regulating the sale of tobacco, such as requiring a local permit to sell tobacco products, prohibiting the sale of flavored tobacco, prohibiting new businesses from selling tobacco near schools and reducing tobacco retailer density, prohibiting tobacco sales at pharmacies and in vending machines, and limiting storefront signage.

Recommended Action

Conduct second reading and enact Ordinance No. 19-2190; "An ordinance of the City Council of the City of Cupertino adding chapter 5.50 to title 5 (Business Licenses and Regulations) to regulate the sale of tobacco products and repealing chapter 10.27 of the Municipal Code (Cigarette and/or Tobacco Vending Machines)."

Discussion

Council conducted the first reading of the ordinance to regulate the sale of tobacco products at the November 5, 2019 Council meeting. At this meeting, the provisions of the ordinance were discussed at length, including the provisions that would:

1. Require retailers to obtain and annually renew a tobacco retailer permit. The fee for the permit is expected to be \$425 per year.
2. Prohibit the sale of flavored tobacco products, including menthol cigarettes.
3. Prohibit new tobacco retailers from locating within 1,000 feet of a school and within 500 feet of another tobacco retailer (existing retailers in these locations may continue to sell tobacco products assuming they are operating lawfully, renew their TRP on time, and do not transfer ownership).
4. Prohibit the sale of tobacco products in pharmacies.

Due to a clerical error resulting from a word processing issue, the language describing the distance requirement from schools and the distance requirement from other retailers was inadvertently omitted from the ordinance (Section 5.50.040 subsections (d) and (e)). This omission has been corrected in the ordinance attached and is included as part of the second reading. These provisions were discussed extensively during the meeting, were included in the staff report and presentation, and were outlined in the noticing language.

Sustainability Impact

No impact.

Fiscal Impact

The City was awarded \$48,608 to cover the costs of developing the proposed regulations and conducting the associated outreach. No additional funding is requested at this time. If the City adopts the County's regulations, the County will implement and enforce the City's program at no cost to the City. The County would recover costs through charging a fee of approximately \$425 for the tobacco retailer permit.

Prepared by: Katy Nomura, Assistant to the City Manager

Reviewed by: Dianne Thompson, Assistant City Manager

Approved for Submission by: Deborah Feng, City Manager

Attachments:

A – Draft Ordinance to Regulate the Sale of Tobacco Products