

WORK SESSION AGENDA

ITEM SUMMARY

City Council



STAFF

Cecilia Good, Sr Deputy City Clerk
Jim Lenderts, Marijuana Compliance Officer
Max Rader, Alcohol Compliance Officer
Christopher Spoto, Assistant City Attorney

SUBJECT FOR DISCUSSION

Tobacco Retail Licensing and Age Restricted Products Program

EXECUTIVE SUMMARY

The purpose of this item is to discuss a local licensing program for tobacco, nicotine, and other age-restricted psychoactive products in response to growing concerns about youth access. Staff seeks Council feedback on the scope and provisions of the program.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does Council support developing a licensing framework including age-restricted products?
2. What feedback does Council have on the scope of the licensing program?

BACKGROUND / DISCUSSION

The City is seeing growing concern around youth access to nicotine products, highlighted by recent data from the 2025 Healthy Kids Colorado Survey showing that 80.3% of Larimer County youth who attempted to purchase nicotine products were not refused due to their age. This finding illustrates how easily minors can access nicotine products and points to clear gaps in prevention and enforcement at the state level.

The number of standalone tobacco licenses within City limits continues to rise, expanding the locations where youth exposure and access can occur. As of July 2026, there are 129 licensed tobacco retailers within City limits, 37 of which are within 1,500 feet of a school. Colorado Department of Public Health and Environment data shows that, in Fort Collins, retailers located within 1500 feet of a school serving grades 6-12 are almost twice as likely to sell to youth under 21 as retailers located farther away. Together, these factors create a growing public health and community safety concern that increased local control could significantly help mitigate.

Under current state law, C.R.S. § 44-7-104.5, all Colorado retailers that sell cigarettes, tobacco products, or nicotine products must obtain a Cigarette, Tobacco Product, or Nicotine Product Retailer License from the Colorado Liquor and Tobacco Enforcement Division (LED). Municipalities are authorized, but not required, to implement their own licensing programs. A local licensing framework would provide additional oversight, data tracking, and compliance monitoring to complement the State's enforcement efforts.

The State does not enforce municipal-specific requirements, such as keeping tobacco products out of customers' direct reach, or other provisions Council may adopt for harm reduction going forward. Its fine schedule is also modest for early violations: a first underage-sale offense carries a fine of \$250 to \$500 with no license suspension (1 CCR 203-1-7-601), with penalties escalating only after repeated violations within a 24-month period.

LED staff are also responsible for tobacco licenses across all of Colorado, which limits the attention any single retailer receives. Local enforcement, by comparison, has established relationships and a strong educational foundation with retailers in the community, allowing staff to work through compliance issues directly.

Considerations for a Local Program

To further address youth access to harmful products, a local licensing program would extend the City's regulatory framework beyond tobacco and nicotine to the broader range of age-restricted psychoactive products increasingly available at smoke shops and gas stations, including:

1. Intoxicating hemp products
2. Kratom
3. Inhalable nitrous oxide cartridges
4. Psilocybin-lookalike products
5. Paraphernalia and accessories used to consume and/or conceal these products

Kratom illustrates the scale of the problem. A Center for Disease Control analysis of National Poison Data System records (MMWR, March 2026) found that kratom-related exposure reports to U.S. poison control centers rose approximately 1,200% from 2015 to 2025. Kratom-only hospitalizations rose from 43 to 538 over the same period, an increase of roughly 1,150%, and hospitalizations involving kratom combined with other substances rose from 40 to 549, an increase of roughly 1,300%. Other psychoactive products sold at tobacco retailers carry similar risks. These products create dependency, contribute to other drug use, and currently have inadequate regulatory oversight.

LED enforces tobacco and nicotine compliance and will not act on hemp, synthetic marijuana, kratom, or psilocybin analogs. The Marijuana Enforcement Division's authority is limited to licensed marijuana retailers, not smoke shops or gas stations. As a result, most of the age-restricted psychoactive products currently have little to no state-level oversight.

A local licensing framework would give the City direct oversight through retailer background checks, routine inspections, and compliance checks. Recommended provisions include minimum distance requirements from schools, other youth-populated areas, and existing licensed retailers, along with escalating penalties for owners and licensees that scale with repeated violations.

Staff also recommends prohibiting the sale of inhalant gases, such as nitrous oxide cartridges, for recreational use, since these products are increasingly marketed in smoke shops despite not being intended for human consumption. Retailers that sell these gases incidentally for their intended purpose, such as a cooking supply store selling whipped cream chargers, would be exempt from the licensing requirement, provided that the sale remains subject to a minimum purchase age of 21.

Strengthening provisions could include limiting the exterior promotion of age-restricted psychoactive products and tobacco products, setting a minimum employee age of 21 at licensed retailers to mirror the product age restriction, and requiring licensed retailers to remain compliant with other City codes, including building, sign, and sales tax requirements.

A local licensing program offers a practical, evidence-based tool to close existing gaps in youth access prevention and to address the growing range of age-restricted products entering the market through the same retail channels.

NEXT STEPS

Following this July Work Session, staff will engage with affected businesses and other stakeholders on the proposed licensing program. That input, together with feedback from the session and a review of comparator municipal programs, will be reflected in a draft ordinance that will be brought back for discussion with Council at an October Work Session.

ATTACHMENTS / LINKS

1. Presentation