



City of Grass Valley City Council Agenda Action Sheet

Title: Appeal Review of Hearing Officer's Decision - Denial of Tobacco Retail License Renewal for Hot Spot Smoke Shop

CEQA: Not a project

Recommendation: That the City Council conduct a hearing to consider the appeal filed by Hot Spot Smoke Shop regarding the denial of its Tobacco Retail License renewal, and take appropriate action to uphold, modify, or overturn the Hearing Officer's decision.

Prepared by: Taylor Whittingslow, Deputy City Manager

Council Meeting Date: 04/22/2025

Date Prepared: 04/17/2025

Agenda: Administrative

Background Information:

Hot Spot Smoke Shop, located at 440 Colfax Avenue, held a valid Tobacco Retail License (TRL) issued by the City of Grass Valley, which expired on February 11, 2025. The licensee failed to submit a timely and complete renewal application and was also found to be in violation of local and state tobacco laws during a compliance inspection. Based on these factors, the renewal of the license was denied on March 7th, 2025.

The business appealed the denial on March 12, 2025, and the matter was heard by a Hearing Officer pursuant to Grass Valley Municipal Code (GVMC) Section 5.56.140 on March 27th, 2025. The Hearing Officer issued a written decision denying the appeal on March 31, 2025.

On April 9th, 2025, the City Clerk received a timely request for City Council review under GVMC Section 5.56.160, along with the required appeal fee and the written appeal outlining the grounds for review. The matter has been scheduled for Council consideration within the required 30-day window.

SUMMARY OF HEARING OFFICER'S DECISION:

The Hearing Officer made the following Findings of Fact:

1. Hot Spot Smoke Shop's TRL expired on February 11, 2025.

2. The renewal of the application and fees were due by January 11, 2025.
3. The application was received on February 24, 2025, over 40 days late—and was incomplete.
4. The required late fee was not included.
5. A February 25, 2025, compliance check revealed illegal flavored vape products stored behind the sales counter in violation of:
 - GVMC Section 5.56.030(A) & (B)
 - California Health and Safety Code Section 104559.5(b)(1)

Conclusion:

The Hearing Officer concluded that the business failed to meet renewal deadlines and was actively violating tobacco laws, justifying the denial of the renewal. The appeal was denied, and the business was prohibited from continuing tobacco sales without a valid license.

APPELLANTS CLAIMS FOR REVIEW:

In a written appeal submitted by Raja Singh on behalf of Hot Spot Smoke Shop, the following points were raised:

1. Licensing Deadline Confusion:

- The appellant states they attempted to renew the license before February 11, 2025, but were told by a staff member that there was "about a month and a half" left on the license.
- Based on this guidance, they returned later, but after the renewal deadline had passed.
- They argue the late submission was unintentional and caused by miscommunication.

2. Unintentional Possession of Prohibited Products:

- The appellant states the flavored vape pens were purchased from a large wholesale distributor.
- They were unaware that the products violated local or state law.
- Upon learning of the violation, they immediately disposed of all non-compliant items.

3. Alleged Errors in the Hearing Officer's Decision:

- The appellant asserts that the Hearing Officer did not fully consider the circumstances surrounding the late filing.

- They request leniency based on their corrective action and intent to comply with regulations in the future.

4. Request for Relief:

- The appellant requests that the City Council either overturn or modify the decision and permit license renewal.
- They assert that Hot Spot Smoke Shop is a responsible business committed to following all laws moving forward.

COUNCIL'S OPTIONS UNDER GVMC 5.56.160:

Pursuant to GVMC Section 5.56.160(B) and (C), the City Council may:

1. **Deny the appeal** and uphold the Hearing Officer's decision.
2. **Grant the appeal** and order the renewal of the license.
3. **Modify the terms** and impose conditions on the license.
4. **Reject the findings** and conduct a de novo hearing, allowing full reconsideration with or without new evidence.

The Council's determination must be accompanied by findings of fact and conclusions of law. These may incorporate the Hearing Officer's findings by reference.

Council Goals/Objectives: This item executes portions of work tasks towards achieving/maintaining the Strategic Plan - Productive and Efficient Workforce

Fiscal Impact: N/A

Funds Available: N/A

Account #: N/A

Reviewed by: City Manager

Attachments:

- Non-Renewal Letter
- Notice of Determination (March 31, 2025)
- Hearing Officer's Written Decision
- Appellant's Written Request for Review
- GVMC Section 5.56.160