



CITY COUNCIL AGENDA REPORT

CITY HALL

CITY OF SONORA 94 N. WASHINGTON STREET, SONORA, CA 95370 P: (209) 532-4541

SERVICE, INNOVATION, INTEGRITY, COLLABORATION, RESPECT, LEADERSHIP

DATE: May 18, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Tyler Summersett, Community Development Director

SUBJECT: Waive the First Reading, Read by Title Only, and Introduce Ordinance No. 916 of the Sonora City Council Amending the City of Sonora Municipal Code to Add Chapter 8.50 to Title 8 Regulating Tobacco Product Sales and Consider a Fee Schedule for Tobacco Retailer Licenses

RECOMMENDATION:

Waive the First Reading, Read by Title Only, and Introduce Ordinance No. 916 of the Sonora City Council Amending the City of Sonora Municipal Code to Add Chapter 8.50 to Title 8 Regulating Tobacco Product Sales and Consider a Fee Schedule for Tobacco Retailer Licenses; and

Determine the Project Statutorily Exempt as the Appropriate Level of Environmental Review in Accordance with the California Environmental Quality Act (CEQA) and Guidelines; and

Consider Adoption of Resolution No. 05-18-2026-A Adopting a Fee Schedule for Tobacco Retail Licenses in the City.

BACKGROUND:

The City of Sonora currently lacks a regulatory framework to effectively monitor and enforce tobacco retail activities. As a result, staff is proposing Chapter 8.50 et. seq. of the City's Municipal Code introducing a licensing system for tobacco retailers within the City of Sonora. This ordinance is intended to curb unlawful sales practices and ensure compliance with local, state, and federal tobacco control laws.

The primary objective of Chapter 8.50 is to require tobacco retailers to obtain a license and comply with operational regulations. This ordinance provides the framework for regulating sales of tobacco products within the City and imposes penalties for non-compliance.

The ordinance is intended to prevent youth access to tobacco products, ensure compliance with state and federal regulations, reduce the prevalence of flavored tobacco products, kratom and nitrous oxide (NOX).



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DISCUSSION / ANALYSIS:

The proposed ordinance establishes a comprehensive framework for regulating the sale of tobacco products within the City. The ordinance further aligns with state and federal regulations and addresses concerns regarding illegal access to tobacco.

Chapter 8.50 et. seq. would require tobacco retailers to obtain a license and comply with operational regulations as prescribed in the ordinance. Salient provisions of the ordinance include:

1. **Section 8.50.020 – Licensing Requirements:** All tobacco retailers must obtain a license from the City. Licenses are issued for a one-year period and must be renewed annually.
2. **Section 8.50.020 A – G. Restrictions on Sales:** The ordinance prohibits sales of tobacco products to individuals under 21 years of age and restricts the sale of flavored tobacco products.
3. **Section 8.50.020 J. Security Measures Required:** All tobacco retailers shall follow required measures as specified on the license application.
4. **Section 8.50.030 Sale of Flavored Tobacco Products Prohibited.** It shall be unlawful for any tobacco retailer to sell any flavored tobacco product.
5. **Section 8.50.050 B. Licensed Cannabis Business.** No license may issue, and no existing license may be renewed, to authorize tobacco retailing at a location licensed for commercial cannabis or pharmacy.
6. **Section 8.50.050 E & F. Proximity to Other Tobacco/Cannabis Retailers.** No new license may issue to authorize a smoke shop within 1,000 feet of another tobacco or cannabis retailer.
7. **Section 8.50.050 G Population and Density.** The total number of tobacco retailer licenses issued to Significant Tobacco Retailers within the City shall be limited to one for each 1,650 inhabitants of the City.
8. **Section 8.50.060 Application Procedure.** Outlines the procedures for obtaining a tobacco retailer license.
9. **Section 8.50.070 License Issuance/Denial/Appeal.** Outlines the approval/denial findings for a tobacco retailer license and appeal procedures.
10. **Section 8.50.080 and 8.50.090 License Renewal, Expiration and License not Transferable.** Outlines License Renewal and Expiration procedures.
11. **Section 8.50.120 Compliance and Monitoring:** Regular compliance checks will be conducted to ensure adherence to the ordinance. Violations are subject to penalties, including license suspension and revocation.



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12. **Section 8.50.130 – 8.50.150 Enforcement:** The ordinance designates the City of Sonora Police Department, Code Enforcement and any agency or person designated by the Department to enforce the provisions of the ordinance. Regular inspections will be conducted, and violations will be addressed through civil penalties and potential license revocation, as outlined.
13. **Section 8.50.070 Appeal of Issuance or Denial of License:** Any person aggrieved by any decision to issue or deny a license may appeal to the City Council.
14. **Section 8.5.140 Tobacco Retailing without a Valid License:** Administrative Fines may be levied for unlicensed Tobacco Retailers.

Importantly, the draft Ordinance is not intended to affect or otherwise eliminate existing Smoke shops/significant tobacco retailers or general tobacco retailers within the City. However, Section 8.50.050 A – G contains several location based and other requirements to obtain a new Tobacco Retail License (TRL) including:

- 8.50.050 A. Mobile Vending prohibited;
- 8.50.050 B. Licensed Cannabis Business shall not be issued a Tobacco Retail License;
- 8.50.050 C. Pharmacies shall not be issued a Tobacco Retail License;
- 8.50.050 D. Locations in proximity to Youth Oriented Facilities, as defined, shall not be issued a Tobacco Retail License within 1,000 feet of Youth Oriented Facility.
- 8.50.050 E. Locations in proximity to Other Tobacco Retailers shall not issue a Tobacco Retail License within 1,000 feet of another tobacco retailer.
- 8.50.050 F. Locations in proximity to a Cannabis Retailer shall not issue a Tobacco Retail License within 1,000 feet of existing Cannabis Retailer.
- 8.50.050 G. Population and Density include the total number of retail licenses to be issued to a significant tobacco retailer to be limited to one for each 1,650 inhabitants of the city (e.g., 5,000/1,650=3 Tobacco Retailer Licenses Total)
- 8.50.070 Appeal of Issuance or Denial. Any person aggrieved by any decision to issue or deny may appeal to the City Council.

Should any of the existing Tobacco Retailers not comply with any one or more location/proximity based or other provisions of the Tobacco Retail License Ordinance, they would be considered legally non-conforming in accordance with Section 17.58 of the City's Municipal Code and may continue indefinitely unless the use has been abandoned or otherwise ceases for a period of one year or more.

Moreover, the Tobacco Retailer License (TRL) divides City retailers into 2 categories- Significant Retailers/Smoke shops and Tobacco Retailer- General (which includes convenience and retail stores). The definition of "Smoke shop/significant tobacco retailer", applies to any business for which the principal or core business is selling tobacco products, tobacco accessories, or both, as evidenced by any of the following: twenty-percent (20%) or more of floor or display area is devoted to tobacco products, tobacco accessories, or both; or sixty percent (60%) or more of gross sales receipts are derived from the sale or exchange of tobacco products, tobacco accessories, or both; or fifty percent (50%) or more of completed sales transactions include tobacco products or tobacco



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accessories". The ordinance will limit this type of business to three (3) within City limits or 1 per 1650 inhabitants. The General retailers will not be capped within the City.

Additionally, Ordinance 916 will prohibit the sale of Nitrous Oxide and Kratom products in the City of Sonora. This is not currently a State or Federal law, although other City's across the state have chosen to move forward with a similar ban. These products are currently available at some shops within the City, so this represents a curtailment of current practice for a few businesses.

Lastly, as noted, the primary objective of Chapter 8.50 et. seq., is to prevent youth access to tobacco products, ensure compliance with state and federal regulations and with City operational regulations. The Findings Section of the Ordinance substantiates and outlines the basis for the ordinance. The statistics on use of tobacco products is alarming and continues to be an urgent public health issue, particularly for young people in Tuolumne County.

TOBACCO RETAILER LICENSE APPLICATION FEES:

Staff recommends two options for TRL cost recovery for consideration by Council-

Option 1: Costs to the City are captured as part of the Tobacco Retail License Application process

Costs to the City are identified as,

- a. Administrative (work to create the application, mail annual invoice, update forms, confirm payment, retailer education)
- b. Application Processing (application review for completeness, follow up, permit issuance)
- c. Compliance Monitoring (inspection for each Tobacco Retailer at least one time annually, documentation of violations or compliance, prosecution of violaters)

2- 3 hours are anticipated to complete this work at the average hourly rate would put the TRL fee at: \$160 (2 hours) or \$240 (3 hours)

Option 2:

Alternately, cost recovery for the City could solely be based on penalties for non-compliance. This recovery rate would vary by issue discovered in compliance monitoring, but could be quite significant based on a recent compliance check at a local retailer.

Section 8.50.150 (Additional Remedies), C.- *Violations of this Chapter shall be subject to an administrative penalty. The amount of the administrative penalty shall be fifty dollars (\$50.00) for the first offense, one hundred dollars (\$100.00) for the second offense, and two hundred fifty (\$250.00) for any subsequent offense.*

Additionally, Section H states- For the purposes of the civil remedies provided in this chapter:

1. Each day on which a tobacco product is distributed, sold, or offered for sale in violation of this chapter shall constitute a separate violation of this chapter; and



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2. Each individual tobacco product that is distributed, sold, or offered for sale in violation of this chapter shall constitute a separate violation of this chapter

For example, if Sonora Police department did a compliance check at a retailer who was found to have 150 flavored vapes, kratom or nitrous oxide units for sale in the store, the penalty would be:

First violation \$50.00 x # of units discovered, 150 = \$7,500 in penalties.

Outreach to Retailers:

During outreach to City businesses, several of the retailers expressed frustration with the City's intent to license on top of the State License that they already need. The real angst seemed to revolve around the fact that the State recently notified license holders that the State fee would increase from \$265 dollars annually to \$450. This is an increase of \$185 dollars.

Additionally, some of the retailers felt they were being punished, even though they had not done anything wrong. A no fee license with penalties for non-compliance could be one approach to address this issue.

BUSINESSES IMPACTED BY A TOBACCO RETAIL LICENSE:

Fourteen (14) Retail Business will be impacted by the Tobacco Retail License.

PLANNING COMMISSION:

The Tobacco Retail License item went to the Planning Commission at the April 25, 2026 meeting. The Planning Commission voted 5-0 to support the Tobacco Retail License. Separately, they voted 5-0 to support no fee for the license, or a very low fee in light of the increased fee at the State level and the requirement for licensing with both the State and City.

CEQA DETERMINATION:

The Ordinance qualifies for Statutory Exemption(s) from the California Environmental Quality Act (CEQA) and Guidelines pursuant to Sections 15060(c)(2) and 15061(b)(3). In accordance with Section 15060(c)(2), the ordinance does not constitute a "Project" as defined in the CEQA Guidelines. Section 15061(b)(3) is the "common sense" exemption noting that the project will not have an impact on the environment. As the project will require tobacco retailers to obtain a license and will not result in any physical change to a building or property, there will be no impact on the environment.



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FISCAL IMPACT:

Implementation of the Tobacco Retail License (TRL) program may result in a neutral to minor fiscal impact to the City depending on the fee structure adopted by the City Council. Staff recommends an annual Tobacco Retail License fee of \$240 per retailer, which is intended to recover the City's administrative, application processing, inspection, and compliance monitoring costs associated with implementation and enforcement of the ordinance. If the City Council elects to reduce or waive the fee, General Fund revenues or another funding source would need to be utilized to support ongoing compliance inspections, enforcement activities, and program administration.

ATTACHMENTS:

1. Ordinance No. 916 – An Ordinance of the City of Sonora Amending the City of Sonora Municipal Code Adding Chapter 8.50 of Title 8 Regulating Tobacco Product Sales and Requiring the Licensure of Tobacco Retailers.
2. Resolution No. 05-18-2026-A Adopting a fee schedule for Tobacco Retail Licensing

CORE COUNCIL PRIORITIES:

Fiscal Responsibility and Stability, Infrastructure and Engineering, Public Safety and Disaster Preparedness, Economic Development/Growth and General Plan, Homelessness Issues, Staffing - Salary, Benefits, Training, and Retention