



CITY COUNCIL STAFF REPORT



April 21, 2026

ITEM TITLE

City Council Referral: Presentation and Discussion on Potential Amendments to Chula Vista Municipal Code Chapter 5.56 Tobacco Retailer

Report Number: 26-0096

Location: No specific geographic location

Department: City Attorney, Housing and Homeless Services, & Police

G.C. § 84308 Regulations Apply: No

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Receive the presentation and community input; receive input on proposed amendments to strengthen Chula Vista Municipal Code Chapter 5.56, Tobacco Retailer; and provide policy direction on options responsive to the referral to reduce the overall number of tobacco retailers in the City of Chula Vista, in the following topic areas: 1) restrict type of retailers; 2) set issuance caps; 3) limit permit proximity; 4) buffer sensitive locations; and 5) establish conditional transfers.

SUMMARY

On May 13, 2025, the City Council made a referral to research options to strengthen Chula Vista Municipal Code (CVMC) Chapter 5.56, Tobacco Retailer. This item provides an overview of the current permitting process, enforcement of tobacco retailers in the City of Chula Vista (“City”), and a summary of the research and community input received and seeks Council direction on potential updates to the City’s Municipal Code as it relates to the Tobacco Retailer’s Permit (TRP) program.

ENVIRONMENTAL REVIEW

The proposed activity has been reviewed for compliance with the California Environmental Quality Act (CEQA), and it has been determined that the activity is not a “Project” as defined under Section 15378 of the

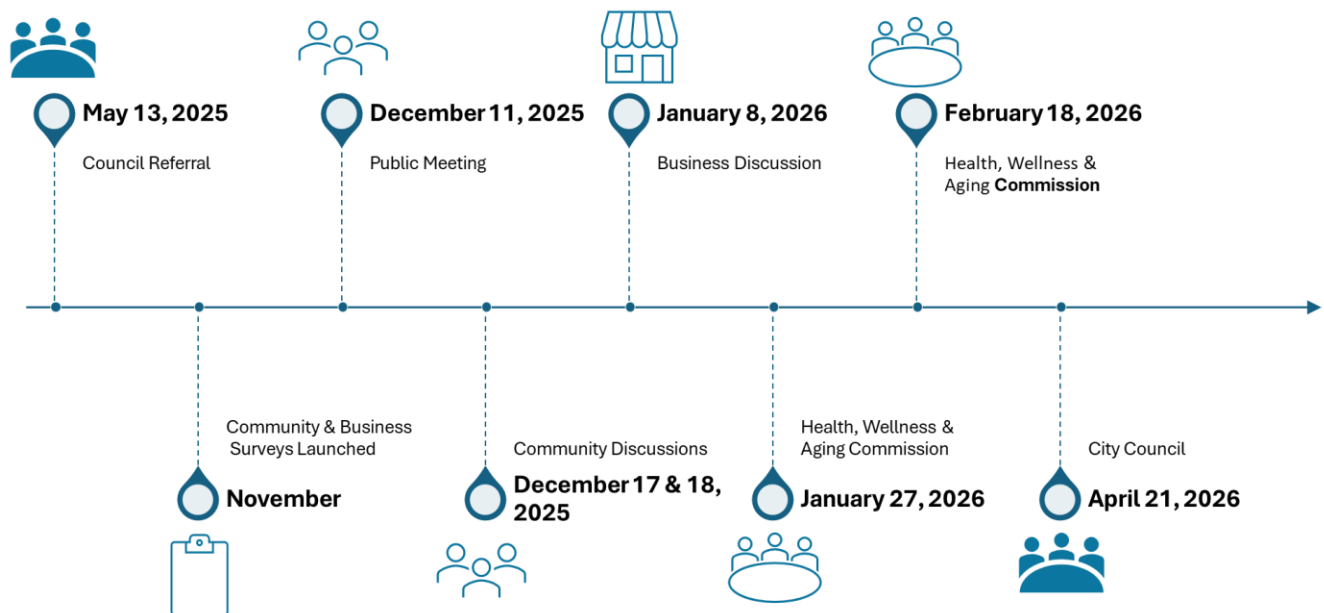
CEQA Guidelines because it will not result in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the CEQA Guidelines, the activity is not subject to CEQA.

This determination is also predicated on CEQA Guidelines Section 15004 which provides direction to lead agencies on the appropriate timing for environmental review. Any future actions involving proposed amendments to the Municipal Code may require further analysis in accordance with the State CEQA Guidelines and the City’s Municipal Code.

COMMUNITY ENGAGEMENT

A timeline of the community engagement efforts for this item is depicted in Figure 1 and included outreach through social media, newsletters, emails, mailouts, two (2) surveys, two (2) community workshops, a focus group with business owners, and two (2) Health, Wellness & Aging Commission meetings. A summary of the input received is provided later in this report.

Figure 1 – Timeline of Community Engagement



BOARD/COMMISSION/COMMITTEE RECOMMENDATION

On December 11, 2025, a meeting of the Health, Wellness, and Aging Commission (HWAC) was called; however, a quorum was not reached and therefore the meeting could not be called to order. Staff provided a public information presentation about the current ordinance at that time; however, no public comment was taken.

On January 27, 2026, and February 18, 2026, special meetings of the HWAC included action items related to this item. On January 27, 2026, after staff presentation and public comment, the HWAC provided direction on additional information they were interested in understanding at the next meeting, including state licensing inspections, Assembly Bill 3218 (AB 3218), ability to transfer permits, and the ability to provide additional education around tobacco use and tabled the advisory recommendation to the next HWAC meeting.

At the February 18, 2026, meeting, the HWAC made an advisory recommendation (6-0) to City Council proposing various updates to the ordinance, described later in the report.

DISCUSSION

In January 2016, the City adopted the Healthy Chula Vista Action Plan inclusive of strategies to prevent chronic diseases. According to the U.S. Department of Health and Human Services, smoking remains the leading cause of preventable death in the United States, causing approximately 490,000 deaths annually.¹ Tobacco use causes multiple chronic diseases, including heart disease, cancer, stroke, lung disease and chronic obstructive pulmonary disease (COPD).

The City has a long history of policy to address public health concerns over the use and access of tobacco products as detailed in Figure 2.

Figure 2 – Tobacco Policy in Chula Vista



In March 2018, the City Council adopted CVMC Chapter 5.56 (Tobacco Retailer Ordinance and Chapter 5.56) (see Attachment 1) establishing a tobacco retailer’s permit program to regulate tobacco businesses and prevent the selling of tobacco and tobacco paraphernalia to individuals under the age of 21. CVMC Chapter 5.56 provides that all Tobacco Retailers in the City must first obtain a Tobacco Retailer’s Permit to sell tobacco products and sets out the process for applying for and maintaining such permit, operational requirements and restrictions, and penalties for violations. The most recent update to CVMC Chapter 5.56 was in September 2022 when the City Council prohibited the sale of flavored tobacco products.

On [May 13, 2025](#) (3:21:30), at the request of Councilmember Cesar Fernandez, there was a consensus of the City Council to make a referral to the City Attorney and relevant City staff to research the City’s Tobacco Retailer Ordinance and provide options to strengthen the regulations and potentially reduce the number of permits. In response to the referral and initial community input, staff have focused on the following areas of priority:

- Reduction in the overall number of Tobacco Retailers in the City;
- Restrictions based on sensitive locations/receptors; and
- Strengthening of penalties for violators.

¹ U.S. Department of Health and Human Services. Tobacco-Related Health Disparities Fact Sheet. 2024. <https://www.hhs.gov/sites/default/files/2024-sgr-tobacco-related-health-disparities-fact-sheet.pdf>

To provide a full picture of the current Tobacco Retailer industry in Chula Vista, staff have researched and summarized key items below. The referral also provided an opportunity for staff to evaluate the effectiveness of the existing TRP ordinance, enforcement challenges, updates to state laws since 2022, and to engage with and receive feedback from the business community on CVMC Chapter 5.56, leading to additional areas for consideration.

State Regulations

The Cigarette and Tobacco Products Licensing Act (CTPLA) of 2003 authorizes the California Department of Tax and Fee Administration (CDTFA) to inspect California retail, wholesale, and distributor businesses selling cigarettes and tobacco products. Under State law, a retailer must obtain a California Cigarette and Tobacco Products Retailer's License annually and maintain a California Electronic Cigarette Excise Tax (CECET) account to report the 12.5 percent tax on nicotine-containing e-cigarettes and related products. The state license fee is currently \$265 and will increase to \$450 on July 1, 2026.

State Product Regulations and UTL

In 2020, Senate Bill 793 (SB 793) banned (with limited exceptions) flavored tobacco products and tobacco product flavor enhancers in California. (Health & Saf. Code, § 104559.5.) Assembly Bill 3218 (AB 3218), which went into effect on January 1, 2025, amended and expanded on the flavor ban put in place by SB 793. (Bus. & Prof. Code, §§ 22978.3, 22980, 22990; Health & Saf. Code, §§ 104559.1, 104559.5; Rev. & Tax. Code, § 30101.7.)

AB 3218 established the [Unflavored Tobacco List \(UTL\)](https://utl.doj.ca.gov/) (<https://utl.doj.ca.gov/>), a list of registered tobacco products that are classified as unflavored by the State. (Health & Saf. Code, § 104559.1, subd. (a).) Products not appearing on the list are subject to seizure, and the Attorney General, the California Department of Public Health, and state and local law enforcement agencies are authorized to seek civil penalties against retailers selling products not appearing on the list.²

While the State does prohibit the sale of flavored tobacco products, it also specifically enables local jurisdictions to implement more restrictive regulations. For instance, product packaging and quantity can be regulated at a local level. By implementing tobacco-related restrictions in a local municipal code, it allows for more specific local control and easier enforcement and prosecution to address non-compliance.

State Inspections

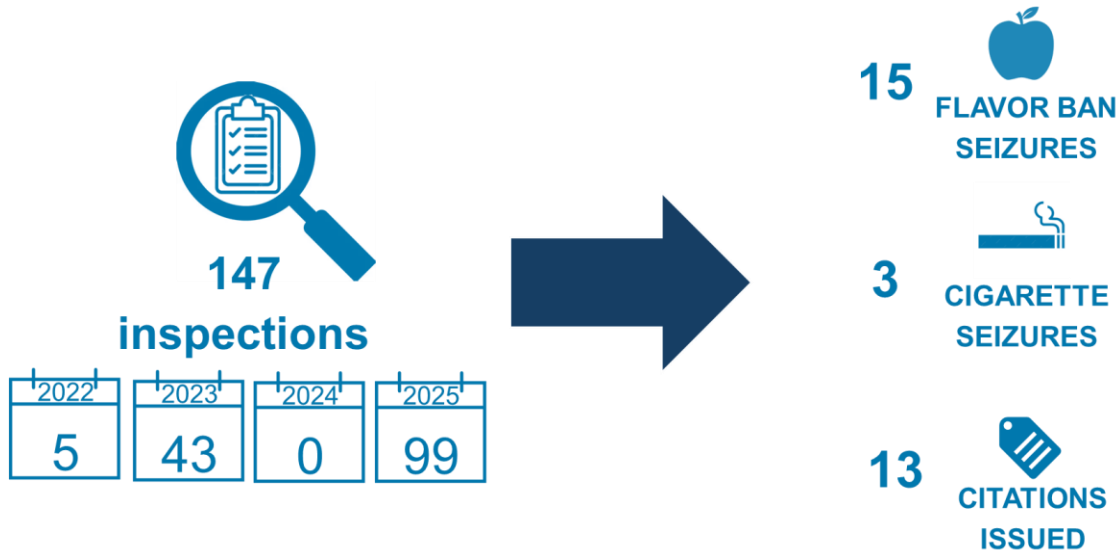
The State conducts two (2) types of visits to retailers including inspections (focused on specific compliance programs like tobacco and cannabis) and audits (focused on overall tax return accuracy). State representatives have the authority to inspect any location where cigarettes or tobacco products are sold, produced, or stored, or at any site where there is evidence of illegal activities. Consequently, representatives and law enforcement officers can inspect retail locations and seize any flavored or untaxed cigarettes and tobacco products, including cigarettes without stamps, with stamps from other states, or with counterfeit tax stamps. Any person who refuses to allow an inspection is guilty of a misdemeanor and is subject to a fine. Any retailer in possession of untaxed cigarettes, untaxed tobacco

² A product could be unflavored, but it still must be registered with the State and listed on the UTL before it could be sold in California.

products, flavored cigarettes, flavored tobacco products, or tobacco product flavor enhancers is subject to fines and penalties, such as a suspension of the license.

Due to budget cutbacks and limits on staffing, state inspections have been occurring less frequently with a rotation of one (1) to three (3) years. Figure 3 provides a summary of State inspections that have been conducted since 2022 of one hundred forty-seven (147) inspections; however, the number has varied greatly by year, with no inspections being conducted in 2024. Overall inspections have resulted in seizures of products primarily for flavored tobacco products.

Figure 3 – California Department of Tax and Fee Administration Inspections 2022-2025



In the State of California, there are over 23,500 tobacco retailers.³ That number does not include wholesalers and distributors. CDTFA has 10 offices throughout the state with about four (4) inspectors per office, to monitor all those retailers. In the City, between 2022 and 2025, CDTFA conducted 147 tobacco retailer inspections: 2022 - 5 inspections; 2023 - 43 inspections; 2024 - 0 inspections; and 2025 - 99 inspections.

Proposed State Legislation

As an evolving industry and area of interest at the state level, three (3) items are currently being reviewed by the state legislature. It is unclear if updates will be made and/or if the pending items will be approved and signed into law at this time, however they are summarized below.

- Senate Bill 1314 (SB 1314): This bill, with a proposed effective date of January 1, 2028, would prohibit the retail location for a smoke shop⁴ from being located within a 600-foot radius of a school or a day care center in existence at the time the retail license is issued, unless the local jurisdiction

³ <https://cdtfa.ca.gov/taxes-and-fees/cigarette-licensees.htm>

⁴ “Smoke shop” means any retailer whose retail location has 20 percent or more of its net floor area devoted to the sale of tobacco products, substances intended for smoking or inhaling, or smoking or inhaling accessories, including, but not limited to, pipes, vaporizing devices, or other smoking or inhaling paraphernalia. Smoke shop does not include a cigar lounge licensed pursuant to Division 8.6 (commencing with Section 22970) or a cannabis retailer licensed pursuant to Division 10 (commencing with Section 26000).

specifies a different radius. The bill would prohibit a smoke shop from engaging in the retail sale of tobacco products directly to the public between the hours of 10:00 p.m. to 6:00 a.m. The bill would authorize the State Department of Public Health or the CDTFA to establish regulations relating to the operation of smoke shops, including the creation of a separate license category with administrative processes and separate fee rates.

- Assembly Bill 957 (AB 957): This bill would prohibit pharmacies from engaging in the retail sale of cigarettes or tobacco products.
- Assembly Bill 762 (AB 762): This bill would authorize a ban on single-use disposable, battery-embedded vapor inhalation devices.

Current Chula Vista Regulations

CVMC Section 5.56.020 requires all Tobacco Retailers to have a TRP for each location they are operating, in addition to a valid City business license, and any and all required state licenses, including but not limited to a California Cigarette and Tobacco Products Retailer’s License described above. A summary of the required licenses/permits and key elements are summarized in Table 1.

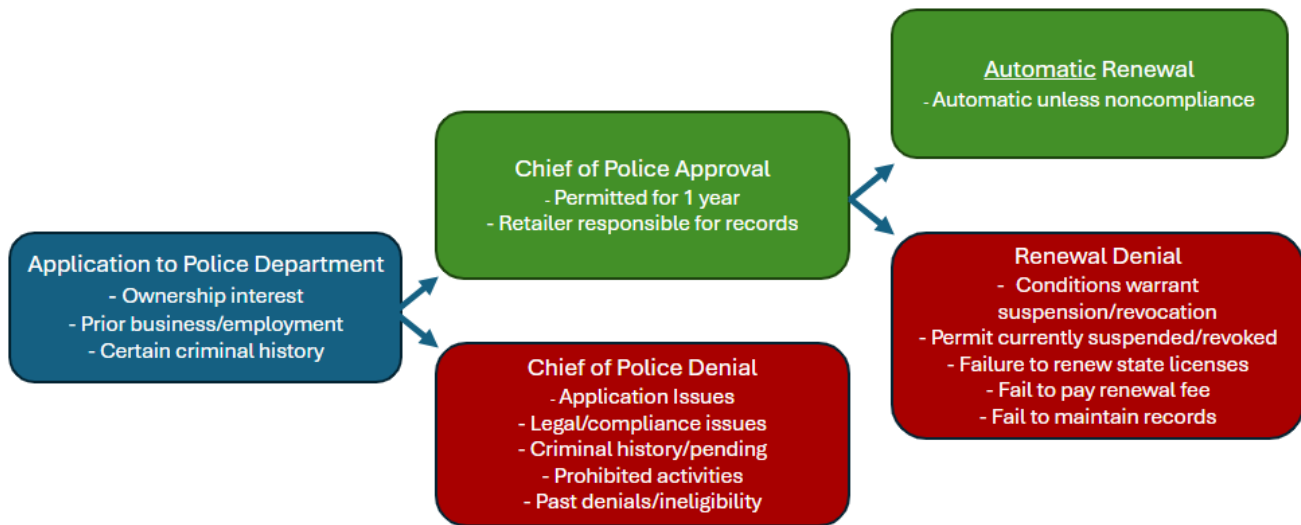
Table 1 – Required Tobacco Retailer Licensing & Permits

	California Department of Tax and Fee Administration (CDTFA)	Chula Vista Tobacco Retail Permit (CVMC Chapter 5.56)	Chula Vista Business License
Fee	\$265 (Prior to July 1, 2026) \$450 (after July 1, 2026)	\$322	≤ 5 employees \$25.00 > 5 employees \$52.50
Inspection Frequency	Approximately 1-3 years or more frequent w/ violations	Within 24 months or more frequent w/ violations	N/A
Inspection Items	<ul style="list-style-type: none"> • CDTFA license • Supporting purchase/sales invoices for inventory • Valid California tax stamps affixed • Excise tax was paid on inventory 	<ul style="list-style-type: none"> • State License, City Permit & City Business License • Proper signage (underage tobacco warning signs) • Employees over 18 • No single cigs or cigs sold in packs less than 20 • Sale from fixed location & no self-service displays • No sampling/coupons for tobacco product 	N/A
Flavored Tobacco Products	Unflavored Tobacco List (UTL) identifies specific products that have no characterizing flavor and are prohibited.	Prohibits any tobacco product with a taste or smell other than tobacco (e.g., fruit, mint, menthol, candy, dessert, alcohol, herbs, spices). Exempts: FDA-approved cessation or therapeutic products, Shisha, Premium cigars, & Loose-leaf tobacco	N/A

The Chief of Police has the authority to grant or deny an application for a TRP (CVMC Section 5.56.040). A TRP shall automatically renew on an annual basis unless the Chief of Police determines prior to the date on

which the permit is to be automatically renewed that there are grounds to deny a renewal permit (CVMC Section 5.56.050). Figure 4 provides an overview of the permit process.

Figure 4 – CVMC 5.56 Tobacco Retailer Permit Process



A TRP may not be transferred from one person to another or from one location to another. A new TRP is required whenever a Tobacco Retailer has a change in more than 20 percent Ownership of the Tobacco Retailer or whenever a Tobacco Retailer changes location. (CVMC Section 5.56.060).

CVMC Section 5.56.090 provides for various operating requirements and prohibitions, including but not limited to compliance with all laws, fixed location required, display of permit, and identification requirements for purchases. CVMC Section 5.56.095 specifically prohibits the sale of flavored tobacco products.

Businesses are subject to ongoing compliance monitoring by the Police Department, with a “required” inspection at least one time per 24-month period. (CVMC Section 5.56.100). Due to limited resources and priorities of the assigned unit in the Police Department (Special Investigation Unit), not all businesses receive a full code compliance check within that timeframe, which will be further explained later in this report.

A Tobacco Retailer’s permit may be suspended or revoked if any court of competent jurisdiction determines, or the Chief of Police finds, based on a preponderance of the evidence, after the Permittee is afforded notice and an opportunity to be heard, that the Permittee, or any of the Permittee’s agents, officers, partners, representatives, managers, or employees, has violated any of the requirements, conditions, or prohibitions of CVMC Chapter 5.56, or has pleaded guilty, “no contest” or its equivalent, or admitted to a violation of any law designated in CVMC Section 5.56.020 as follows:

1. Upon a finding by the Chief of Police of a first violation of this chapter at a location, the Permittee shall be issued a warning by the Department.
2. Upon a finding by the Chief of Police of a second violation of this chapter at a location within any 60-month period, the permit shall be suspended for 90 days.
3. Upon a finding by the Chief of Police of a third violation of this chapter at a location within any 60-month period, the permit shall be suspended for one year.

4. Upon a finding by the Chief of Police of a fourth violation of this chapter at a location within any 60-month period, the permit shall be revoked. (CVMC Section 5.56.110).

Violations of CVMC Chapter 5.56 are also misdemeanors punishable by a fine of not more than \$1,000 or imprisonment for a period of not more than six (6) months, or by both a fine and imprisonment. (CVMC Section 5.56.120).

In addition to any other penalty authorized by law, if the Chief of Police finds based on a preponderance of evidence, after notice and an opportunity to be heard, that any Person has engaged in Tobacco Retailing at a location without a valid Tobacco Retailer's permit, either directly or through the Person's agents or employees, the Person shall be ineligible to apply for, or to be issued, a Tobacco Retailer's permit as follows:

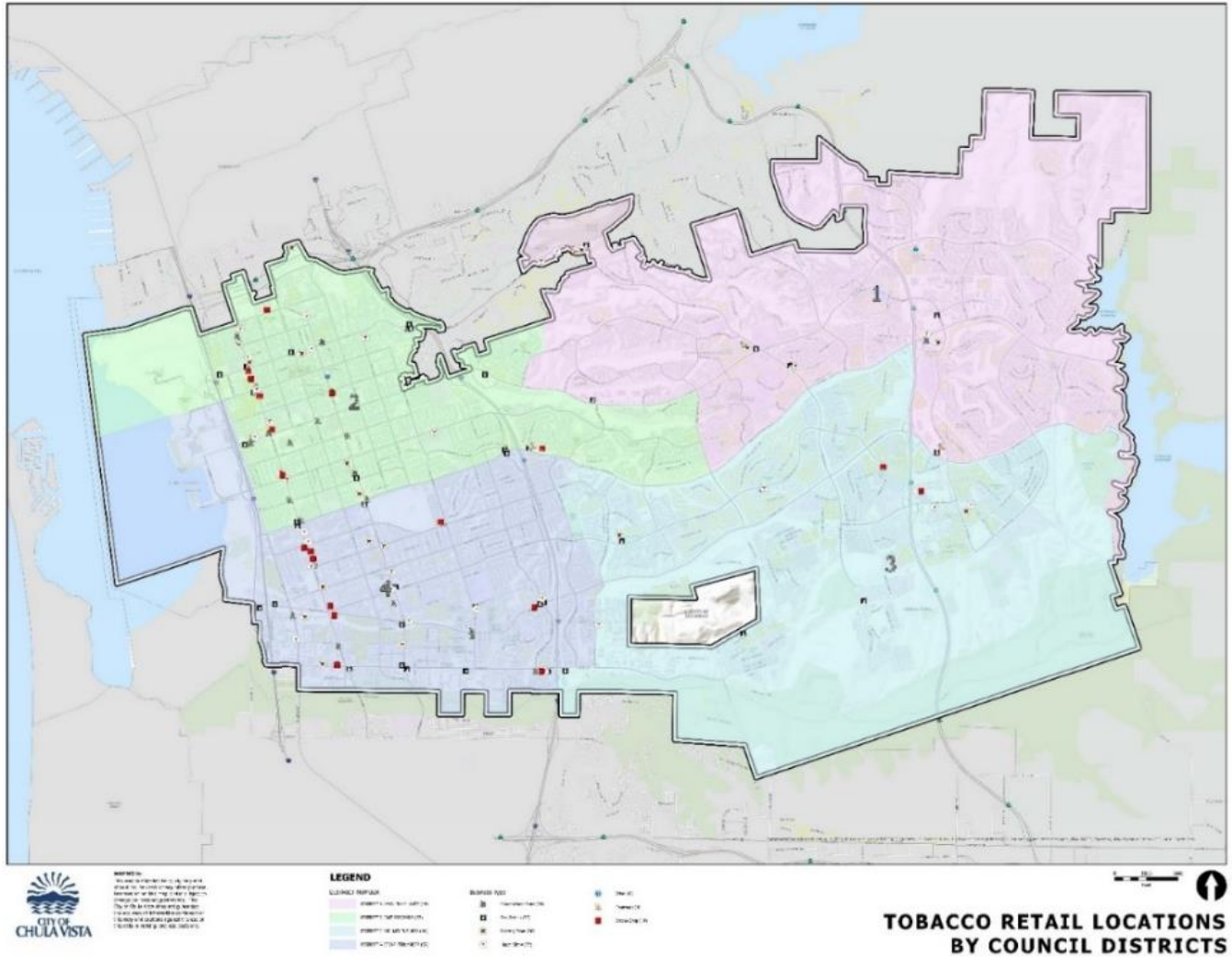
1. After a first violation of this section at a location within any 60-month period, no new permit may be issued for the Person or the location (unless Ownership of the business at the location has been transferred in an Arm's Length Transaction) until 30 days have passed from the date of the violation.
2. After a second violation of this section at a location within any 60-month period, no new permit may be issued for the Person or the location (unless Ownership of the business at the location has been transferred in an Arm's Length Transaction) until 90 days have passed from the date of the violation.
3. After a third or subsequent violation of this section at a location within any 60-month period, no new permit may be issued for the Person or the location (unless Ownership of the business at the location has been transferred in an Arm's Length Transaction) until five (5) years have passed from the date of the violation. (CVMC Section 5.56.120(D)).

Current Tobacco Retail Permit Data

As of the end of 2025 and at time of initial community outreach, one hundred forty-two (142) TRPs were active in Chula Vista. It should be noted that TRPs are renewed on anniversary dates, so the number of active permits fluctuates at any given time. Figure 5 provides a snapshot at that time of the concentration of tobacco retailers by Council District.

Seventy seven percent (77%) of the permits (109 out of 142) were issued in western Chula Vista within Council District 2 (56 permits) and District 4 (51 permits) and were primarily located on Broadway and Third Avenue, where many of these businesses have been in existence for decades. While historically lower socioeconomic communities were targeted by the tobacco industry, development patterns in eastern Chula Vista also impact the distribution of newer businesses.

Figure 5 – Tobacco Retailer Permits, 2025



Tobacco Retail Permit Violations

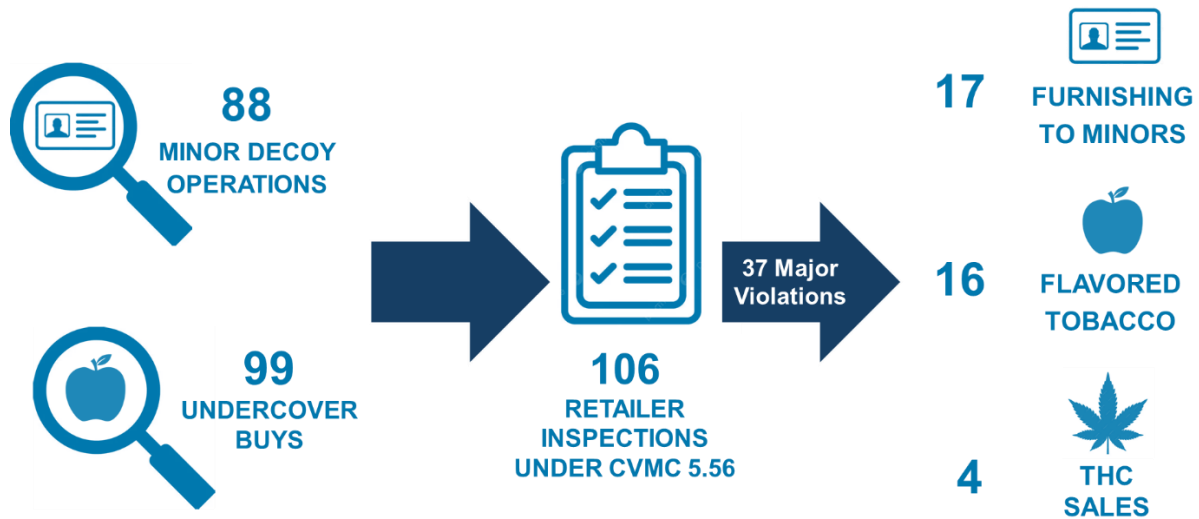
While CVMC Chapter 5.56 indicates compliance inspections “shall” be completed at least once every 24 months, due to resources and priorities of the CVPD Special Investigations Unit (SIU), focus has been placed on grant funded undercover operations such as minor decoys and flavored tobacco purchases. Based on results of those operations, SIU will conduct a follow-up with a full compliance inspection pursuant to CVMC Chapter 5.56, as needed. Since 2022, when flavored tobacco restrictions took effect, the following operations and inspections have been conducted:

- 88 minor decoy operations;
- 99 undercover buys focusing on flavored tobacco product; and
- 106 retailer inspections.

Twenty five percent (25%) of businesses were cited [twenty-seven (27) out of one hundred six (106)] with thirty seven (37) major violations between 2022-2025 for selling tobacco to a minor, selling flavored tobacco,

or selling cannabis products (“THC”), as depicted in Figure 6. Six (6) businesses, all smoke shops, were cited for multiple violations.

Figure 6 – Major Tobacco Retailer Violations, 2022-2025



In 2025, 63% of stores inspected had major violations (10 out of 16 inspected). Of the major violations, the violations occurred at a variety of store types, as detailed in Table 2, with the majority of violations (65%) occurring at smoke shops.

Table 2 – Major Tobacco Retailer Violations by Store Type, 2022-2025

Type of Store	Furnishing to Minor	Flavored Tobacco	THC	Total Violations
				37
Convenience Store	1	5	0	6
Gas Station	0	3	0	3
Liquor Store	3	1	0	4
Smoke Shop	12	8	4	24

In addition to local citations and administrative actions, since May 2023, ten (10) misdemeanor criminal cases were filed by the City Attorney’s Office, charging a violation of CVMC Section 5.56.095(A).

Staff Recommended Amendments to CVMC Chapter 5.56

The Council referral provided a critical path and opportunity for staff to evaluate and communicate with businesses on the effectiveness, challenges, and changes to local and state law since 2022 when flavored tobacco laws took effect. As a result, staff intend to bring forward an ordinance for consideration in the near future, to strengthen CVMC Chapter 5.56 in the following sections.

Compliance Monitoring (CVMC Section 5.56.100)

Currently only the Police Department has authority to conduct TRP inspections. As described above, full compliance inspections are not guaranteed to occur once every 24 months due to current staffing and

priority but rather have been dictated in the past few years based on reactions to undercover decoy operations, which have triggered a full compliance check. The City could consider expanding the role for inspections to other departments; however, certain enforcement activities associated with tobacco retailer regulation such as undercover compliance operations involving decoys, enforcement of state age-restriction laws, and investigations that may lead to criminal charges may only be conducted by sworn law enforcement personnel.

Non-law enforcement personnel may be able to conduct administrative compliance inspections (such as verifying permits, licenses, and required signage), but they do not have authority to pursue the criminal enforcement actions of the program. As a result, any inspection program administered outside of the Police Department would necessarily be limited in scope to administrative compliance matters and would not replace the law enforcement functions associated with youth-access enforcement and criminal investigations.

If Council is interested in expanding inspection authority beyond the Police Department, additional analysis would be necessary to determine the appropriate division of responsibilities, training requirements, legal authority, staffing needs, and potential fiscal impacts associated with implementing and sustaining such a program. Council may also wish to consider whether adjustments to inspection frequency or permit fees would be appropriate to support the operational model ultimately selected. The Police Department are also looking into potential options to provide additional support to SIU.

Penalties for Noncompliance (CVMC Section 5.56.110 and 5.56.120)

CVMC Chapter 5.56 currently provides four (4) remedies for noncompliant retailers: (1) administrative citations, (2) civil penalties, (3) suspension or revocation of a TRP, and (4) criminal charges. Each of these remedies is further explained below with proposed options to strengthen. Each of these sanctions are separate remedies and can be used alone or in conjunction with another, as appropriate for the situation. Some options, like administrative citations and criminal charges, are more focused on personal culpability. Civil penalties and permit suspension/revocation are more focused on the business owners and operators and what is happening at their establishment.

- 1) Administrative Citations: Administrative citations are a lower-level sanction for minor, isolated violations. Administrative citations result in fines only. Administrative citations are generally governed by CVMC Section 1.41.100. Currently, the amount of administrative fine that may be imposed for each separate violation of the same code section is as follows: One hundred dollars (\$100.00) for a first violation; \$200.00 for a second violation within the 12 calendar months of the first violation; and \$500.00 for each additional violation occurring after the second violation and within 12 months of any prior violation. An administrative citation may be issued in lieu of the initiation of a criminal action for the same violation. However, in particularly egregious cases, criminal enforcement may be appropriate for continuing violations if the administrative citation is ignored by the responsible party. The City Council could consider increasing the fine amounts for violations related to tobacco retailing.
- 2) Civil Penalties: Civil penalties may be assessed against a responsible party for continued violations of the Municipal Code or applicable state codes, whether of the same section or any combination, that reflect a continuing disregard for the requirements of such laws. (CVMC

Section 1.41.110(B)). For example, if a business has continually been operating for an extended period of time without a tobacco retail permit, civil penalties could be imposed for that period of time the violation has existed. Civil penalties are most often used in situations with chronic violations where other interventions have not resulted in compliance. Civil penalties are generally governed by CVMC Section 1.41.110. Except for violations of land grading ordinances contained in CVMC Chapter 15.04 and violations of commercial cannabis provisions contained in CVMC Chapter 5.19, civil penalties may be assessed at a rate not to exceed \$2,500 per violation per day. (CVMC Section 1.41.110(C)). The City Council could consider increasing the fine amounts for civil penalties related to tobacco retailing. For comparison, civil penalties for violations of CVMC Chapter 5.19 may be assessed at a rate not to exceed \$10,000 per violation per day. (CVMC Section 1.41.110(E)).

3) Suspension or Revocation: As discussed above, CVMC Section 5.56.110 currently provides that a TRP may be suspended or revoked if there is an alleged violation of any of the requirements, conditions, or prohibitions of CVMC Chapter 5.56. The code currently provides an escalation of penalties as follows:

1. First violation = a warning by the Department.
2. Second violation within any 60-month period = suspension for 90 days.
3. Third violation within any 60-month period = suspension for one year.
4. Fourth violation within any 60-month period = permit revocation.

For each alleged violation, the permittee must be afforded notice and an opportunity to be heard.

4) Criminal Charges: CVMC Section 5.56.120 provides: Any Person violating any of the provisions or failing to comply with any of the requirements of this chapter or any regulation adopted hereunder shall be guilty of a misdemeanor punishable by a fine of not more than \$1,000 or imprisonment for a period of not more than six (6) months, or by both a fine and imprisonment. Criminal charges are filed against individuals for their specific conduct. The burden of proof is “beyond a reasonable doubt.”

The City Attorney’s Office recommends implementing stronger penalties and eliminating the 4-step process currently required to revoke a TRP. The current penalty structure is difficult to implement and limits the exercise of discretion. Discretion is essential because it allows enforcement to take into account a variety of factors such as the nature of the violation, the history of compliance at a business, and the overall impact of the sanction on the business.

The City Attorney’s Office recommends implementing a structure similar to the one used for regulation of Massage Business Permits in CVMC Section 5.36.140. That system provides that the Chief of Police shall conduct an investigation whenever they have reason to believe that an owner, permittee, operator, massage technician or other person is in violation of, or has failed to comply with, any condition of the massage business permit, any requirements of this chapter or any federal, state, or local law. Should the investigation reveal substantial evidence to support a finding that a violation occurred, the Chief of Police shall issue a written notice of intention to deny, modify, suspend and/or revoke the permit. The written notice shall be served on the responsible person, shall specify the facts which, in the opinion of the Chief of Police, constitute substantial evidence to establish grounds for modification, denial, suspension and/or revocation, and state that the permit will be modified, denied, suspended or revoked within 30 calendar days from the date the

notice is given unless the owner or permittee aggrieved by the Chief of Police’s decision files with the City Manager a request for an administrative hearing to appeal the decision. All reports and exhibits supporting the violation and intended to be used as evidence by the City at the hearing must be included with the written notice. This system still provides procedural safeguards and due process to business owners and permittees, while also streamlining the process for modifying, suspending, or revoking a permit.

Additional Recommended Amendments Based on Community Input

Employee Training and Accountability

At the Business Workshop on January 8, 2026, and at the HWAC meeting of January 27, 2026, retailers expressed interest in having additional measures in place to address employee turnover and hold them accountable. The City currently has code requirements for employees in other retail and service businesses such as [Commercial Cannabis Businesses](#) and [Massage Technicians](#). Currently TRP owners sign a “Statement of Understanding” at application and renewal; a similar standard can be set for new employees.

Advertising / Marketing to Youth

Based on community feedback, further limitations should be considered on the types of marketing directed at youth that retailers can use outdoors, at the counter, and in window advertising. Specific examples of businesses using lights, colorful advertising, and outdoor signage were provided.

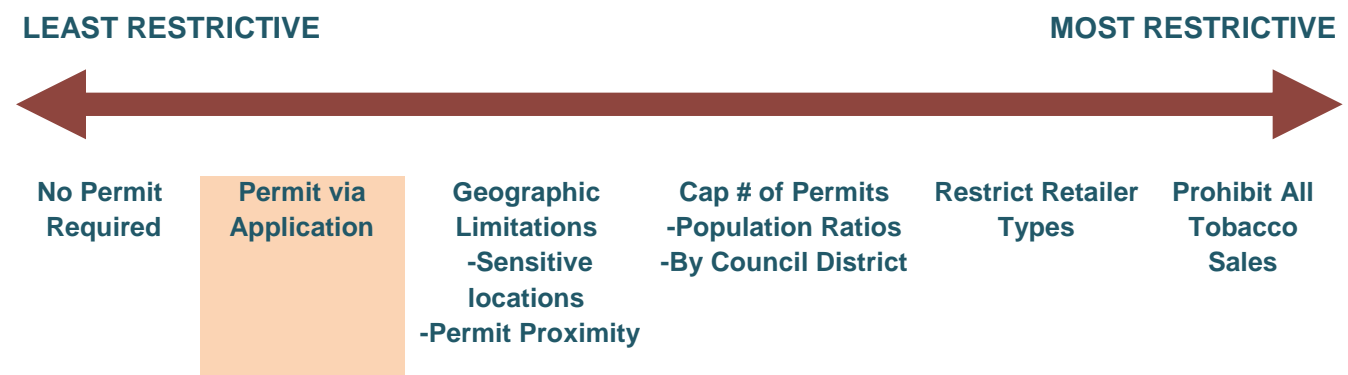
Prohibited Products

At the January 27, 2026, HWAC meeting, public speakers indicated that standardizing permitted products to be consistent with the state UTL would help reduce uncertainty in the industry. The City could adopt the definitions and requirements of the UTL, thereby aligning our local product standards with those of the State. Local adoption of the UTL would streamline inspections as Universal Product Codes (UPCs) can be verified by searching the UTL website.

Potential Policy Options Responsive to Referral to Reduce TRPs

In California, different jurisdictions have implemented a wide range of restrictions on tobacco retailers. Figure 7 provides a spectrum of options to limit permits from the least to most restrictive options and highlights the City’s current level of restriction.

Figure 7 – Spectrum of Options to Restrict Tobacco Sales



City staff has researched various data-backed best practices and comparisons to other local and state-wide jurisdictions based on the council referral from May 13, 2025. A summary of local policies is provided in Attachment 2, with the most recent policy adopted in National City at the end of 2025. The County regulations for unincorporated areas are the most restrictive with a maximum number of 330 licenses, prohibiting sales at pharmacies, and not allowing new licenses within 500 feet of an existing tobacco retailer. Attachment 2 also provides other jurisdictions within California that have adopted strong regulations around tobacco retailing.

A combination of options could be applied to further limit the number of permits and locations within a community. Based on the research conducted, staff is providing a variety of options for consideration below. The options that are being presented take into account legal restrictions and enforceability considerations. The City Council could choose any, all, or none of the suggestions provided. There may also be other ideas that are not listed here that the Council may propose for consideration.

For general planning purposes, the Council should consider if the proposed updates will be imposed on all existing and future retailers, or only new permits. The Council should consider the timing of when any potential updates would go into effect. The Council could allow a longer timeline for implementation, so that affected businesses would be able to adjust their business operations, allowing businesses to gain compliance or shut down their operations, depending on the restriction imposed.

Overall jurisdictions use various mechanisms to control the number of permits and their locations, including: 1) restrict type of retailers; 2) set issuance caps; 3) limit permit proximity; and 4) buffer sensitive locations.

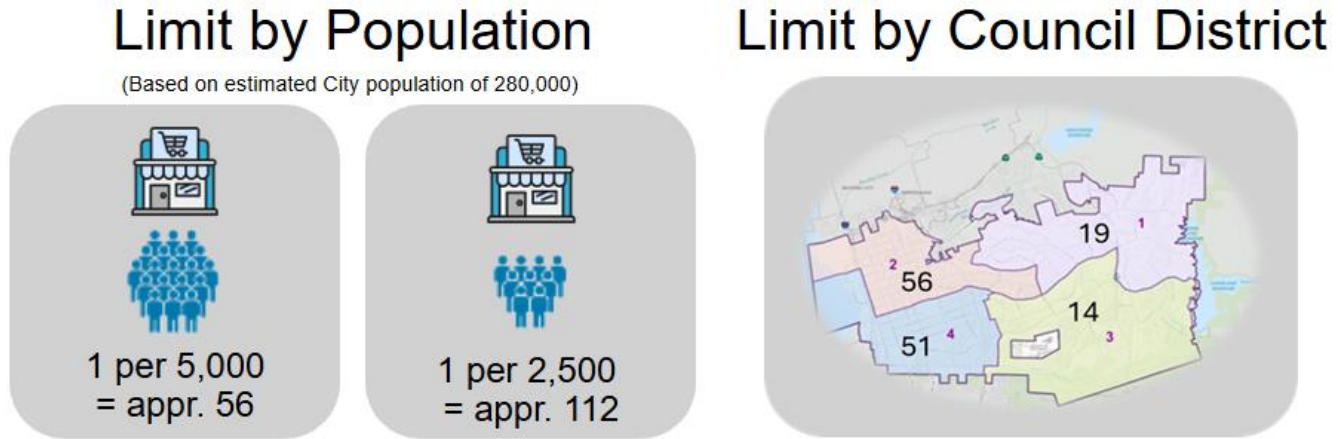
Restrict Type of Retailers

As previously discussed, the state is currently considering legislation through SB 1314 and AB 957 to restrict the sale of tobacco products at smoke shops and pharmacies, respectively. The City could adopt similar restrictions or could consider also imposing limitations beyond that considered by the State. For example, the City could limit the type of businesses that are eligible for TRPs, based on industry trends and rates of violation.

Set Issuance Caps

The Council referral to staff encouraged looking into ways to reduce the overall number of tobacco retailers and reduce the disparity in distribution of retailers between the Council Districts on the West and East sides. Another way to reach that result could be the implementation of caps or maximum licenses issued either by geographic area (such as a maximum per Council District) and/or overall City population. Figure 8 provides context for density in the City, if permits were to be limited by overall population and provides the existing mix of permits by Council districts. One or a combination of these limitations could be considered.

Figure 8 –Options to Set Maximums on Permits Issued



Limit Permit Proximity

Limitations on the proximity of permits could be established, similar to those implemented by the County of San Diego for new licenses.

Buffer Sensitive Locations

Other age-restricted industries such as alcohol sales have discretion to deny permits near locations where youth congregate. Specifically, the California Department of Alcohol and Beverage Control may deny any retail license located (a) within the immediate vicinity of churches and hospitals, or (b) within at least 600 feet of schools, public playgrounds and nonprofit youth facilities.

To provide context to the options and evaluate impact in Chula Vista, a series of maps were developed by staff to review buffers around “sensitive locations” such as schools (defined as a public or private school providing instruction in grades 1 to 12), city parks, and major transit stops.

Attachment 3 provides an overlay for each type of sensitive location and the resulting impact if all three sensitive location buffers were applied using both a 500-foot or 1,000-foot radii. The legend of each map identifies the approximate number of existing retailers that would be impacted by the applied buffers are noted. Overall, with the consideration of all three sensitive layers applied, approximately 66 licensed retailers would be impacted by the buffer zones at either the 500-foot and/or 1000-foot distances, accounting for overlap between buffer areas.

An approximate resulting map if all sensitive locations and retail proximity limitations were implemented is provided in Attachment 4 for discussion.

Establish Conditional Transfers - Based on Community Input

During the HWAC January 27 meeting, multiple public speakers indicated they would like to get clarification on a path forward to transfer permits upon change of ownership prior to the sale of a business. This concern was specifically in the context of potential location-based restrictions, or the imposition of numerical caps.

Staff intend to provide details on the City webpage for Tobacco Retailers to provide information on permit transfers. In addition, should any location-based restrictions or the imposition of numerical caps be created, the Council could establish a pre-application process for potential buyers of tobacco retailers.

Community Engagement Input

Surveys

The City of Chula Vista launched two (2) surveys on tobacco use which remained open for nearly two (2) months and were promoted on social media and at community meetings. While 532 (community) + 293 (business) people viewed the surveys, response rates were relatively low. Responses are summarized below, and full survey results can be found in Attachments 5 and 6.

"Public Tobacco Use & Accessibility Survey": This survey was open to all residents and received 123 participants, generating over 1,000 responses and more than 100 open-ended comments. Respondents represented multiple areas of the City, with the highest participation from ZIP codes 91910 and 91911. While most respondents were adults age 21 and over, approximately 13% of respondents identified as youth ages 16–20.

- Nearly 60% of respondents reported it is “very easy” or “somewhat easy” for youth under 21 to obtain tobacco products.
- 66% of respondents believed tobacco and vaping products are marketed or sold in ways that appeal to youth.
- 61% reported noticing tobacco or vaping product sales near schools, parks, or youth-oriented areas either “often” or “sometimes.”
- Nearly 80% of respondents reported being “very concerned” or “somewhat concerned” about the health impacts of tobacco use in the community.
- 73% of respondents expressed support for stronger local regulations to reduce youth access to tobacco and vaping products.

"Tobacco Retailer Survey": This survey was directed towards businesses who sell tobacco products, receiving responses from 14 participants representing a range of business types, including liquor stores, convenience stores, gas stations, and smoke or vape shops, primarily located in ZIP codes 91910 and 91911.

- When asked about retailer density, 45% of respondents stated there is “about the right amount” of tobacco or vape retailers in their area, while 18% reported there are too many, 9% reported too few, and 27% were unsure.
- 91% of respondents reported being “very familiar” with local and state tobacco sales laws, including age restrictions and licensing requirements.
- 6 out of 10 respondents indicated 25% or less of their total sales came from tobacco or vaping products.
- Open-ended comments highlighted interest in clearer communication, regular regulatory updates, increased monitoring of non-compliant retailers, and consistent enforcement, as well as improved coordination across City, County, and State agencies.

Community Discussions

In addition to the surveys, City staff conducted two (2) in-person community discussion meetings on December 17, 2025, at the Salt Creek Recreation Center and December 18, 2025, at the Loma Verde Recreation Center to provide opportunities for dialogue and deeper engagement. Both discussions offered bilingual engagement options to ensure accessibility for Spanish-speaking residents.

Across both meetings, participants raised consistent themes related to education, access, equity, retailer density, and enforcement. Community members emphasized the need for expanded and culturally responsive education efforts for youth, families, and adults, particularly around the addictive nature of nicotine and the health impacts of vaping. Participants expressed concern about the concentration of tobacco retailers in specific neighborhoods, particularly along major corridors, and raised equity concerns related to higher retailer density in lower-income areas and communities of color. Several participants noted the proximity of tobacco retailers to schools, parks, and youth-serving facilities and supported strengthening buffer or distance requirements. Participants also discussed regulatory and enforcement considerations, including the need for stronger penalties for repeat or serious violations, more consistent enforcement, and a focus on “bad actor” retailers.

A third in-person discussion on January 8, 2026, at City Hall served as a focus group with business stakeholders to better understand operational considerations, compliance challenges, and perspectives on potential regulatory changes related to tobacco retail. Business participants emphasized the importance of distinguishing between “bad actor” retailers and those that consistently comply with existing laws. Participants expressed support for enforcement structures that focus on repeat or high-severity violations, rather than broad punitive measures that may disproportionately impact otherwise compliant businesses. Participants recommended aligning tobacco enforcement penalty structures with other regulation frameworks, such as alcohol licensing.

Participants also raised concerns regarding the distribution of illegal or unapproved tobacco and vaping products entering the local market from upstream distributors. Business stakeholders also noted that employee turnover can present challenges for compliance and suggested enforcement timelines and violation periods should account for staffing changes. Participants acknowledged concerns about retailer concentration along specific corridors, such as Broadway. Participants also discussed retailer proximity to schools and parks, pointing out that some retailers opened their business prior to the development of a sensitive location. Retailers present also indicated that the City should look at the marketing of products both in window displays and outside of stores. Finally, participants highlighted the City should consider future growth, such as along the Bayfront, when developing policy.

Health, Wellness, and Aging Commission Advisory Recommendation

At the February 18 meeting, the HWAC made an advisory recommendation (6-0) to City Council proposing various updates to the ordinance, as follows:

- **Types of Retailers:** Prohibit pharmacies from permitted retailers.
- **Permit Maximums:** No position taken; deferred to City Council on caps by District and density.
- **Concentration and Access:** Prohibit new permits from being issued 1,000 feet around sensitive locations (schools (grade 1-12), parks, and major transit stops) and 1,000 feet from any existing

TRPs, while grandfathering previous permits that fall within the 1,000 feet and allowing transfer of those permits to new, otherwise qualified applicants.

- Compliance Inspections: Retain the current frequency of one inspection every 24 months, unless violations are found; Consider expanding compliance inspections to other departments.
- Administrative Citations: Increase penalties for violations and retain the cumulative timeframe at 60 months.
- Civil Penalties: Maintain civil penalties at current rates.
- Permit Suspension and/or Revocation: Decrease the cumulative timeframe to 48 months and include 1 warning, with the 2nd offense providing discretion to the Police Chief to deny, modify, suspend and/or revoke the permit with rights to an administrative hearing to appeal the decision. Additional recommendation to provide clarity on the types of offenses that could result in each associated penalty.
- Employees: While generally supported in discussion, no position taken. HWAC requested future discussion on ways tobacco education could be provided to the community.
- Transfers of Permits: While generally supported in discussion, no position taken.
- Marketing to Youth: Further restrict both outdoor and window advertising.
- Prohibited Products: No position taken.

Conclusion and Next Steps

This item seeks Council direction on proposed policy options to reduce the number of permits under CVMC Chapter 5.56 as detailed beginning on page 13, “Potential Policy Options Responsive to Referral to Reduce TRPs”. Attachment 7 provides a summary of all of the topics included in this staff report, with brief highlights of the existing ordinance language, public feedback received, advisory recommendations from the Health, Wellness, and Aging Commission, and staff recommendations or potential policy options for further discussion. Staff intend to bring back proposed amendments to update CVMC Chapter 5.56 and will incorporate any of the policy options to limit the number of permits, as directed tonight.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov’t Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

There is no current fiscal impact associated with this item as staff is requesting feedback and direction from Council.

ONGOING FISCAL IMPACT

If Council provides policy direction, staff will identify fiscal impacts in a future Council item.

ATTACHMENTS

1. CVMC Chapter 5.56, Tobacco Retailer
2. Comparison of San Diego Region and California Jurisdictions TRL Regulations
3. Sensitive Location Buffers and Impact on Existing Tobacco Retail Permits
4. Sensitive Location and Tobacco Retail Permits Buffer of 500 and 1,000 Feet
5. Public Tobacco Use & Accessibility Survey Results
6. Tobacco Retailer Survey Results
7. Summary of CVMC Chapter 5.56 Tobacco Retailer Policy Areas for Discussion

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