

Proposed Ordinance Amending Title 5, Chapter 5.104 of the Stockton Municipal Code Updating Tobacco Retail License Requirements & Regulations

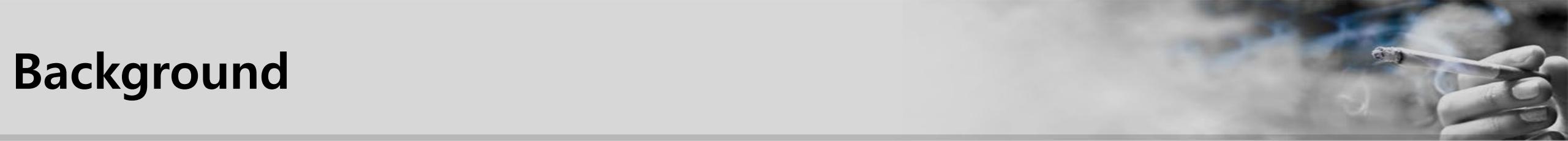
**City Council Meeting
February 17, 2026
Agenda Item 16.1**

Presentation Overview

- Background
- Administrative Changes
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Background



- SMC Chapter 5.104 [Tobacco Retailers] regulates tobacco retailers to promote responsible sales and prevent illegal products, including sales to minors.
- In response to a rapid increase in smoke shops and related public health and safety concerns, City Council adopted a moratorium on new tobacco retail licenses in March 2025.
- The City Attorney's Office and Revenue, Police, and Community Development Departments collaborated to assess public health, safety, zoning, and enforcement concerns.
 - Staff evaluated licensing processes, compliance history, inspection findings, and community impacts related to tobacco retailers
- Revisions were developed to improve oversight, clarify license requirements, strengthen enforcement tools, and establish a clearer framework for managing Tobacco Retail Licenses across departments.

Administrative Changes - Licensing

Replace a Single Tobacco Retail License with Four License Types

Implemented four distinct Tobacco Retailer License (TRL) types

TRL type will be assigned by the Police Department during the application review process

EXEMPT

- Must apply for license
- Exempt from location & operational rules
- < 5% space for tobacco
- > 10% space for fresh food

SMOKE SHOPS

- ≥ 25% of space for tobacco sales/display
- Or presents itself as a smoke shop
- Classification by Chief of Police/designee

ANCILLARY SALES

- Tobacco is minor part of business
- < 250 sq. ft. for tobacco
- > 10% space for fresh food

SMOKING LOUNGES

- Onsite tobacco consumption permitted
- Includes cigar lounges, hookah lounges, tobacco bars



Administrative Changes – Additional Application Requirements



- **New Application Requirements**
 - In addition to existing Chapter 5.104 requirements, applicants for all 4 license types must submit a layout of the premise showing where tobacco retailing will be taking place and areas where tobacco will be stored.
 - Smoke Shop applicants will additionally have to submit a security plan for review and approval by the Police Department that includes video surveillance, physical security, and an ununiformed security personnel deployment plan.
 - All tobacco retail licensees will be required to maintain a valid business license that identifies tobacco retail sales on the business license. If the tobacco license has been revoked, the business license shall be updated immediately.

Ordinance Amendment Overview - Definitions



The proposed ordinance includes:

Ten (10) New Definitions:

Alcoholic beverage sales establishment	Convenience store	Hookah
Intoxicating Cannabinoid	Retail store	Smoke shop
Smoking lounge	Tobacco retailer- Ancillary	Tobacco retailer- Exempt
Tobacco retailer - General		

And Two (2) Amended Definitions

Flavored tobacco product	Premises
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Ordinance Amendment Overview – Location Requirements



Addition of new Section, 5.104.070 - Locational requirements for tobacco retail license locations

MINIMUM SEPARATION FROM SENSITIVE USES	Tobacco Retailer – General	Tobacco Retailer – Smoke Shop	Tobacco Retailer – Smoking Lounge
Residential zone or use	1,000 feet	1,000 feet	1,000 feet
A public or private K-12 academic school, nursery / preschool, or childcare facility	1,000 feet	1,000 feet	1,000 feet
Public park, playground, recreational area, or youth facility	1,000 feet	1,000 feet	1,000 feet
Religious facilities	1,000 feet	1,000 feet	1,000 feet
Drug abuse, or alcohol recovery / treatment facility	1,000 feet	1,000 feet	1,000 feet
Any other tobacco retailer – general, OR tobacco retailer – smoke shop	1,000 feet	1,000 feet	1,000 feet

Enforcement – Inspections & Restrictions

- Added express ability for law enforcement to conduct scheduled or unannounced inspections.
 - Refusal to allow an inspection is a violation
 - Fee charged for re-inspections to ensure cost recovery of staff time
- Sales cannot occur in parking lots, out of vehicles, or in other non-approved locations
- Clerks selling tobacco must be 21.
- Smoke Shops must operate in accordance with the security plan, and only between 6:00 AM and 10:00 PM.

Enforcement - Penalties

- Penalties updated and clarified
 - Penalties for violations not causing automatic suspension/revocation are clarified to allow penalties for individual violations and to increase the number of violations that may be charged during a single inspection.
- The Police Department is expressly allowed to seize any tobacco product that violates the revised ordinance, including tobacco displayed for sale without a valid TRL.

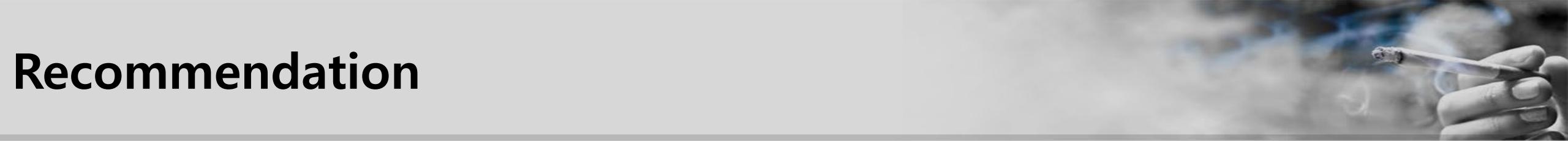


Enforcement - Suspension and Revocation



- Expanded grounds for suspension and revocation of TRL:
 - Sales to minors, selling flavored tobacco, and knowingly concealing an illegal product with the intent to evade compliance
 - The first violation of above actions shall result in 30-day suspension of TRL
 - The second violation shall result in suspension for 60-days
 - The third violation shall result in revocation of the TRL
 - Two violations added that will automatically result in revocation of the TRL
 - Illegal sales of substances that would constitute a felony if charged pursuant to the California Health and Safety Code.
 - Engaging in gambling, loan sharking, or bookmaking.

Recommendation



It is recommended that the City Council:

- Adopt an urgency ordinance amending Title 5, Chapter 5.104 of the Stockton Municipal Code relating to tobacco retailers;
- Approve and issue the City Council Report pursuant to Government Code Section 65858(d); and
- Authorize the City Manager, or designee, to take all appropriate and necessary actions to carry out the purpose and intent of the ordinance.