

Notice Date: 10/31/19: Proposed Fee for Tobacco Retail License

In accordance with A.R.S. §9-499.15, notice of a new or increased fee is hereby given. The City of Tucson Mayor and Council have authorized the City Manager to establish an annual license fee of \$300 for a Tobacco Retail License. The fee will be required for any Tobacco Retail Establishment, meaning any place of business where tobacco products are available for sale directly to customers. Tobacco products include:

1. any product made or derived from tobacco or that contains nicotine and is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled, or ingested by any other means, including cigarettes, cigars, pipe tobacco, chewing tobacco, shisha, snuff, snus, and liquid nicotine solution; and
2. any component, accessory, instrument, or paraphernalia that is used in the consumption of a tobacco product or that is solely designed for the smoking or ingesting of tobacco or shisha, including a hookah, water pipe, filter, rolling papers, pipe, or electronic smoking device; except that:
3. the term “tobacco product” does not include drugs, devices, or combination products, as those terms are defined in the Federal Food, Drug and Cosmetic Act, that are authorized for sale by the United States Food and Drug Administration.

The data supporting the new/increased fee is based on the Pima County budget for a City/County joint program, assuming there would be 530 retail establishments, which resulted in a \$290 fee per establishment. There are currently over 400 such establishments located within the City of Tucson, which would result in slightly less revenue but would scale at approximately the same costs per licensee. Permit fees from City of Tucson retailers would be utilized to offset the cost of ordinance changes, specifically site visits and compliance checks.

To implement the proposed ordinance, the fee for each permit would be at least \$290 per year under a joint City/County plan, with slightly higher overhead costs per establishment for a City-only plan, supporting a \$10 increase to \$300 per licensee. As noted above, the following budget breakdown was generated for the Pima County/City of Tucson proposed program.

Personnel		Salary	*ERE	Total
Number of Positions	2.4	\$93,259	\$32,640	\$125,899
Operations				
Mileage	10,000 mi		\$0.445/mi	\$4,450
Laptops	2		\$1,550	\$3,100
Cell phone	2		\$600	\$1,200
Software License	3		\$2,000	\$6,000
Postage				\$600
Printing/Promotional Materials				\$4,750
Youth Stipends	30	\$265		\$7,950
SUB-				\$28,050
TOTAL				\$153,949