



# Budgeting for a Local Tobacco Retailer License Fee in California

## A Checklist for Cities and Counties

The effectiveness of any local California tobacco retailer license (TRL) ordinance depends largely on enforcement. The ability to fund implementation and enforcement is thus important for communities interested in adopting a TRL ordinance. ChangeLab Solutions has developed a TRL fee calculator to help cities and counties determine an appropriate fee that adequately supports the costs associated with implementing and enforcing a TRL system. This fee calculator is available at: [www.changelabsolutions.org/tobacco-control/trl-fee-calculator](http://www.changelabsolutions.org/tobacco-control/trl-fee-calculator).

This checklist has been prepared to be used in conjunction with the TRL fee calculator though it can also be used separately as a reference without using the calculator. It is designed to help jurisdictions think through all the costs associated with a TRL ordinance, including staff and non-staff costs (the latter referring to costs such as fuel/mileage, supplies, overhead, etc.). This checklist is based on ChangeLab Solutions' legal analysis of permissible costs that may be recouped from a TRL fee. The list of tasks and budget line items below is not meant to be exhaustive. Each jurisdiction may have different costs associated with implementation and enforcement.

Task / Budget Line Item	Type of Cost	Comments
<input type="checkbox"/> <b>ESTABLISH, MAINTAIN, AND ADMINISTER TRL SYSTEM</b>		
1 <input type="checkbox"/> Figure out system for issuing licenses	Staff	This may include the following: <ul style="list-style-type: none"> <li>▪ Figuring out what department and which staff will be responsible for reaching out to the business community; and which department and which staff will be responsible for issuing/renewing/maintaining licenses.</li> <li>▪ Figuring out how to coordinate between departments and staff.</li> <li>▪ Figuring out which division or subdivision within a department is responsible for the above.</li> </ul>
2 <input type="checkbox"/> Compile and maintain list of potential tobacco retailers	Staff	This may include the following: <ul style="list-style-type: none"> <li>▪ Collaborating with the California Board of Equalization (BOE) to obtain a list of tobacco retailers.</li> <li>▪ Checking the list from the BOE to see which establishments need a local TRL. This includes determining which establishments from the BOE list are within your jurisdiction and comparing the BOE list with your own local list of tobacco retailers.</li> <li>▪ Conducting online searches (e.g., Google, Yelp) to complete a comprehensive search of potential tobacco retailers that require a local TRL.</li> <li>▪ Determining what establishments fall under exceptions, if any.</li> <li>▪ Running periodic reports or analyses on existing tobacco retailers.</li> </ul>



	Task / Budget Line Item	Type of Cost	Comments
<input type="checkbox"/> <b>ESTABLISH, MAINTAIN, AND ADMINISTER TRL SYSTEM Continued</b>			
3	<input type="checkbox"/> Establish and maintain electronic database for TRL system	Staff	<ul style="list-style-type: none"> <li>▪ This is the technology cost related to establishing and maintaining an electronic database. This may include time/cost spent to establish a database from scratch or incorporate into the jurisdiction’s existing database for other types of licenses; and costs associated with system updates or improvements.</li> <li>▪ The database should have the ability to monitor retailers and all violations for each retailer.</li> </ul>
		Non-staff	The city/county may outsource this task instead of using its own employees. In that case, an amount can be budgeted under this line item (non-staff costs).
4	<input type="checkbox"/> Proactively engage the business community so that they are aware of the TRL ordinance (e.g., effective date, requirements, fines/penalties)	Staff	<p>This may include the following:</p> <ul style="list-style-type: none"> <li>▪ Calling businesses and/or commerce/trade groups.</li> <li>▪ E-mailing businesses and/or commerce/trade groups (including drafting the e-mail and attachments, if any).</li> <li>▪ Sending US Postal mail to businesses and/or commerce/trade groups (including drafting letters or flyers).</li> <li>▪ Attending community meetings or meetings hosted by commerce/trade groups (including drafting letters or flyers).</li> <li>▪ Conducting in-person visits to businesses directly.</li> </ul>
		Non-staff	<p>This may include the following costs:</p> <ul style="list-style-type: none"> <li>▪ Calls</li> <li>▪ Postage</li> <li>▪ Envelopes/paper</li> <li>▪ Mileage/fuel/auto transport</li> </ul>
5	<input type="checkbox"/> Answer questions by the business community	Staff	<p>This may include the following:</p> <ul style="list-style-type: none"> <li>▪ Answering retailers’ questions when they call.</li> <li>▪ Answering e-mails.</li> <li>▪ Answering questions in person when people come into the office.</li> </ul>
6	<input type="checkbox"/> Prepare and disseminate information about TRL ordinance; prepare and disseminate TRL applications	Staff	<p>This may include the following:</p> <ul style="list-style-type: none"> <li>▪ Drafting and disseminating background information and instructions for applying for a TRL on the city/county website.</li> <li>▪ Drafting and disseminating background information and instructions for applying for a TRL through mass distribution via US Postal mail.</li> <li>▪ Drafting the application form for license issuance/renewal.</li> </ul>
		Non-staff	<p>This may include the following costs:</p> <ul style="list-style-type: none"> <li>▪ Calls</li> <li>▪ Postage</li> <li>▪ Envelopes/paper</li> <li>▪ Mileage/fuel/auto transport</li> </ul>
7	<input type="checkbox"/> Receive and process applications for initial license issuance	Staff	<p>This may include the following:</p> <ul style="list-style-type: none"> <li>▪ Processing payment.</li> <li>▪ Checking all applications for completeness and reaching out to applicants who submit incomplete forms.</li> <li>▪ Checking each applicant to ensure that it meets the requirements for receiving a license.</li> <li>▪ Coordinating with other departments, as applicable (e.g., Department of Public Health, Finance Department, Business License Department, Police Department, City Attorney’s Office).</li> </ul>



Task / Budget Line Item	Type of Cost	Comments
<input type="checkbox"/> <b>ESTABLISH, MAINTAIN, AND ADMINISTER TRL SYSTEM Continued</b>		
8	<input type="checkbox"/> Prepare and mail licenses	Staff This includes time for preparing and mailing licenses.
		Non-staff This may include the following costs: ▪ Envelopes/paper/certificates ▪ Postage
9	<input type="checkbox"/> Monitor retailers for license expiration and renewal	Staff This includes time for monitoring retailers for license expiration and renewal.
10	<input type="checkbox"/> Prepare and disseminate information/applications for renewal	Staff This may include the following: ▪ Drafting reminder/instructions for renewing which can be disseminated through e-mail or US Postal mail. ▪ Drafting and disseminating background information and instructions for renewing license on city/county website.
		Non-staff This may include the following costs: ▪ Envelopes/paper ▪ Postage
11	<input type="checkbox"/> Receive and process applications for license renewal	Staff This may include the following: ▪ Processing payment. ▪ Checking all applications for completeness and reaching out to applicants who submit incomplete forms. ▪ Checking each applicant to ensure that it meets the requirements for receiving a license. ▪ Coordinating with other departments, as applicable (e.g., Department of Public Health, Finance Department, Business License Department, Police Department, City Attorney's Office).
12	<input type="checkbox"/> Enter data into and update database for license issuance and renewal	Staff This includes time for data entry.
<input type="checkbox"/> <b>ENFORCEMENT: CONDUCTING COMPLIANCE CHECKS</b>		
13	<input type="checkbox"/> Meet with all related personnel to: (1) coordinate enforcement strategy; and (2) develop/maintain policy and procedure for enforcement	Staff This involves inter-agency coordination and may include, as applicable: (1) Department of Public Health; (2) Finance Department; (3) Business License Department; (4) Police Department; and/or (5) City Attorney's Office. This may include the time for training different agencies.
14	<input type="checkbox"/> Prepare/update data collection forms	Staff This includes time for preparing/updating the forms that the youth decoys, chaperones, and/or enforcement personnel will use for each operation.
15	<input type="checkbox"/> Prepare/update routes for the buy operations	Staff This includes time for preparing the route for each day's enforcement operations.
16	<input type="checkbox"/> Recruit and train youth decoys and chaperones	Staff This includes time for recruiting and training youth decoys and chaperones that accompany the youth decoys during enforcement operations.
		Non-staff This may include the following costs: ▪ Incentives for youth decoys and chaperones ▪ Food for youth decoys and chaperones during training sessions ▪ Mileage/fuel/auto transport



Task / Budget Line Item	Type of Cost	Comments
<b>ENFORCEMENT: CONDUCTING COMPLIANCE CHECKS Continued</b>		
17 <input type="checkbox"/> Conduct buy operations using youth decoys	Staff	This includes time for conducting the youth decoy operations.
	Non-staff	This may include the following costs: <ul style="list-style-type: none"> <li>▪ Equipment/software/technical support used to aid enforcement efforts (e.g., tablet, laptops, phones, cameras, audio devices)</li> <li>▪ Mileage/fuel/auto transport</li> <li>▪ Money used by youth decoys to purchase tobacco products</li> <li>▪ Food for youth decoys before/during/after decoy operations</li> </ul>
18 <input type="checkbox"/> Fill out post-operation forms	Staff	This includes time for filling out forms after each youth decoy operation.
19 <input type="checkbox"/> Update database for enforcement/compliance results	Staff	This includes time for data entry.
<b>ENFORCEMENT: AFTER THE COMPLIANCE CHECKS</b>		
20 <input type="checkbox"/> Meet with all related personnel as necessary to: (1) coordinate post-compliance check strategy; and (2) next steps for violators.	Staff	This involves inter-agency coordination and may include, as applicable: (1) Department of Public Health; (2) Finance Department; (3) Business License Department; (4) Police Department; and/or (5) City Attorney's Office. This may include the time for training different agencies.
21 <input type="checkbox"/> Prepare and deliver violation notices	Staff	This includes the time for preparing and delivering violation notices and/or notices of non-violation (i.e., congratulations letters).
	Non-staff	This may include the following costs: <ul style="list-style-type: none"> <li>▪ Envelopes/paper</li> <li>▪ Postage</li> </ul>
22 <input type="checkbox"/> File/prosecute/settle cases	Staff	This may include the following: <ul style="list-style-type: none"> <li>▪ Filing cases.</li> <li>▪ Preparing for cases (including gathering and organizing evidence, and collaborating with different agencies, as applicable).</li> <li>▪ Prosecuting and/or settling cases (including preparing to testify, testifying, and collaborating with different agencies, as applicable).</li> </ul>
	Non-staff	This may include court fees.
23 <input type="checkbox"/> Update database for case/settlement results	Staff	This includes time for data entry.
24 <input type="checkbox"/> Develop press release and respond to media	Staff	This includes time for developing a press release and handling media inquiries.
25 <input type="checkbox"/> Monitor retailers for license suspension/revocation	Staff	This may include the following: <ul style="list-style-type: none"> <li>▪ Keeping track of retailers for license suspension/revocation.</li> <li>▪ Suspending/revoking licenses, as appropriate (including time on administrative hearings and collaborating with different agencies, as applicable).</li> <li>▪ Inspecting establishments to ensure that retailers with suspended/revoked licenses are not selling tobacco products.</li> </ul>
	Non-staff	This may include the following costs: <ul style="list-style-type: none"> <li>▪ Envelopes/paper</li> <li>▪ Postage</li> <li>▪ Mileage/fuel/auto transport related to inspections for suspended/revoked licenses</li> </ul>
26 <input type="checkbox"/> Aggregate/analyze data	Staff	This includes analyzing data and preparing regular reports and analyses.



	Task / Budget Line Item	Type of Cost	Comments
<input type="checkbox"/> MISCELLANEOUS			
27	<input type="checkbox"/> Think about and establish system for collecting/transferring revenue	Staff	This may include the following costs: <ul style="list-style-type: none"> <li>▪ Figuring out a system for collecting revenue.</li> <li>▪ Figuring out what department is responsible for collecting revenue.</li> <li>▪ Figuring out how to transfer money between departments for reimbursement.</li> </ul>
28	<input type="checkbox"/> Process fiscal claims to reimburse participants	Staff	This includes processing paperwork for reimbursements to youth decoys and/or chaperones, or other fiscal paperwork for other departments.
29	<input type="checkbox"/> Material/other costs: miscellaneous supplies, equipment	Non-staff	This includes supplies and equipment not already listed above.
30	<input type="checkbox"/> Material/other costs: overhead expenses	Non-staff	This includes overhead expenses not already listed above.

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