ATTACHMENT

For Item

#23

Tuesday, May 24, 2022

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From: Marlon Mansour <marlon@neighborhoodmarket.org>
Sent: Monday, May 23, 2022 1:36 PM
To: Potter, Andrew <Andrew.Potter@sdcounty.ca.gov>
Subject: [External] NMA Letter in Opposition to Agenda Item 23 Tomorrow (TRL Fees)

Good afternoon Clerk Potter,

Please find attached the NMA's letter in opposition of **Agenda Item 23** on the May 24th Board of Supervisors Meeting regarding TRL fees.

I wanted to ensure this letter gets into the record. My personal cell number is (619) 228-4767 if you have any questions or want to discuss. Thank you.

Best regards, Marlon Oram Mansour President Neighborhood Market Association 6367 Alvarado Court, Suite 204 San Diego, CA 92120 Phone: 619-313-4400 www.neighborhoodmarket.org







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GENERAL COUNSEL David C. Jarvis May 23, 2022

Supervisor Nathan Fletcher (Chair) County Administration Office 1600 Pacific Highway San Diego, CA 92101

Re: Item 23 (Tobacco Retail License Fees) on May 24th Board Agenda

Honorable Chair Nathan Fletcher and Honorable Supervisors,

On behalf of the Neighborhood Market Association (NMA) Executive Board and our members, we would like to submit our written testimony in opposition to the proposed Tobacco Retail License (TRL) fees currently under your consideration. The NMA is a non-profit trade organization that represents over 650 family-owned businesses in California, many of which operate in the County of San Diego.

In 10 months of enforcement, the County Tobacco Ordinance has ravaged retailers, causing drops of around 50% in sales, employees to be laid off, and convenience stores to shutter their doors. Now, to add insult to injury, these same retailers face the risk of paying a TRL fee many times greater than other cities and localities in the state.

The NMA has compiled data (attached herein) showing the current fee amounts of much larger localities throughout California, including San Francisco, San Jose, Los Angeles, Sacramento, and the City of San Diego. The proposed TRL fee amount is two to seven times greater than these cities. Here in the County, administration and enforcement would encompass only 330 tobacco retailers. If the cost recovery of administration of a TRL of only 330 tobacco retailers requires such an inordinate fee, then severe issues lie in the administration and structure of the TRL.

The NMA additionally has a few requests: 1) delay the enforcement of any license fee until January of 2023; 2) expand the TRL phase-in approach from three to five years; and 3) implement an annual audit of the TRL with key performance indicators to ensure efficient and effective use of County resources. With the newly passed City of San Diego flavor tobacco ban and the looming California State Referendum vote on flavor tobacco, it would be advisable to hold off on enacting a TRL fee structure before we can see how City and State will approach tobacco license fees and enforcement. Finally, a five-year phase-in will help ease the financial toll retailers have already been facing and provide the County more time to roll-out and efficiently administrate any TRL structure.

The NMA respectfully asks the Board of Supervisors to vote in opposition of this proposed fee, as it currently stands. Additionally, we recommend the foregoing amendments in any vote to help protect retailers, workers, and local communities.

Respectfully,

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Marlon Oram Mansour President

City	Fee Rate	Renewal
El Cajon	\$709.00	
Long Beach	\$600.00	
San Francisco	\$494.00	\$ 383.00
Los Angeles	\$437.00	
Sacramento	\$370.00	
Chula Vista	\$322.00	
Oceanside	\$319.00	
Solana Beach	\$256.00	
San Diego	\$200.00	\$ 195.00
San Marcos	\$188.00	
Escondido	\$88.00	
Santa Barbara	\$30.00	
Del Mar	\$30 + \$0.3/1000 Gross Income	
Carlsbad	\$25 + \$0.3/1000 Gross Income	
San Jose	\$596.00	