



**CITY CLERK'S OFFICE MEMORANDUM  
#2-2021**

**DATE:** April 26, 2021  
**TO:** Honorable Mayor Meredith Leighty and City Council Members  
**THROUGH:** Heather Geyer, City Manager   
**FROM:** Johanna Small, City Clerk   
**SUBJECT:** CR-50 – Retail Tobacco License Fees

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**PURPOSE**

To consider CR-50, a resolution setting the annual fees required for the retail tobacco licensing program.

**BACKGROUND**

On Dec. 14, 2020, City Council adopted Ordinance No. 1803 to establish regulations and create a local licensing program for the sale of retail tobacco products. The ordinance requires tobacco retailers to obtain an annual retail tobacco license and pay a fee to the City to cover the administrative costs associated with inspections and determining compliance with the City's regulations. The ordinance states that fees must be set by separate resolution.

The Colorado Department of Revenue, Liquor and Tobacco Enforcement Division, was authorized to establish a State tobacco retailer licensing program as a result of HB20-1001 being signed into law. HB20-1001 requires retail tobacco businesses to obtain a State tobacco license by July 1, 2021. The bill also requires local and State authorities to coordinate with each other to align license expiration dates and perform compliance checks at businesses. Due to the COVID-19 pandemic's impact on businesses, the Division decided to put any State tobacco license fees on hold. When the initial fees are established, the State fee for a new retail tobacco license cannot exceed \$400. The Division recently provided notice that they will convene a Tobacco Rules Working Group for two meetings in May to discuss State licensing fees, local coordination of compliance checks, and administrative actions. Staff intends to coordinate the local and State licensing processes as much as possible while providing tobacco retailers ample time to prepare and submit the necessary applications.

City Council discussed options regarding reducing or waiving the initial City license fee for tobacco retailers due to the COVID-19 pandemic at the Dec. 14, 2020 meeting. However, there was not a clear consensus on a preferred option. CR-50 is being brought forward for Council's consideration to establish the annual license fee amounts in advance of providing additional information to businesses about the new license requirements.

**BUDGET/TIME IMPLICATIONS**

Staff conducted a cost analysis to determine sufficient fee amounts using the mid-points of staff salaries from the City's compensation plan for necessary activities anticipated by each department involved in the licensing process. The analysis also includes an estimated cost for compliance checks based on the anticipated number of licensees. This process is consistent with previous processes used to develop fees for other types of licenses.

CR-50 proposes the following City fees:

New retail tobacco license	\$300	On-site manager change	\$150
Annual renewal	\$250	Modification of premises	\$150
Transfer of ownership	\$250	Trade name change	\$100
Change of location	\$250	Late renewal	\$100
Report of corporate changes	\$150		

The proposed fees are based on the cost analysis and are intended to cover the annual cost of administering the licensing program. Staff also surveyed other jurisdictions regarding retail tobacco license fees for informational purposes only. The table below shows the proposed fees for a new license and annual renewal in comparison to other cities' fees.

Municipality	New Application	Annual Renewal
Boulder	\$370	\$280
Broomfield	\$300	\$300
Castle Pines	\$50	\$50
Denver	\$750	\$750
Edgewater	\$200	\$175
Golden	\$200	\$200
Lakewood*	\$400	\$400
Northglenn – <i>proposed</i>	\$300	\$250

\* Lakewood requires non-cigarette tobacco licenses

Following the adoption of the City's retail tobacco license fees, businesses will receive a retail tobacco license application packet explaining the new licensing process and providing information about the State's separate application process, if available. As a reminder, businesses received information about the proposed retail tobacco licensing ordinance prior to Council's consideration of the regulations on first and second reading.

**RECOMMENDATION**

Staff recommends approval of CR-50.

**STAFF REFERENCE**

If Council members have any questions, please contact Johanna Small, City Clerk, at [jsmall@northglenn.org](mailto:jsmall@northglenn.org) or 303.450.8757.

**ATTACHMENT**

1. Retail tobacco licensing cost analysis

City of Northglenn Tobacco Licensing Cost Analysis																
PERSONNEL - ACTIVITY DESCRIPTION	New Application Processing		Annual Renewal Processing		Transfer of Ownership Processing		Change of Location Processing		Corp Changes <10% Processing		Manager Change Processing		Premises Modification Processing		Trade Name Change Processing	
	Time (hrs)	Value	Time (hrs)	Value	Time (hrs)	Value	Time (hrs)	Value	Time (hrs)	Value	Time (hrs)	Value	Time (hrs)	Value	Time (hrs)	Value
<b>City Clerk's Office</b>																
Deputy City Clerk - renewal application reminders			0.25	\$8.11												
Deputy City Clerk - application review	1.00	\$32.45	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23
Deputy City Clerk - additional processing as applicable	1.00	\$32.45	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23
City Clerk - application review	0.50	\$27.06	0.50	\$27.06	0.50	\$27.06	0.50	\$27.06	0.50	\$27.06	0.50	\$27.06	0.50	\$27.06	0.50	\$27.06
Deputy City Clerk - preparation and delivery of licenses	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23	0.50	\$16.23							0.50	\$16.23
<b>Police Department</b>																
Records Supervisor - records search	1.00	\$32.45	1.00	\$32.45	1.00	\$32.45			1.00	\$32.45	1.00	\$32.45				
Detective - physical inspection	1.00	\$42.28	1.00	\$42.28	1.00	\$42.28	1.00	\$42.28					1.00	\$42.28		
Sergeant - application review, report preparation	0.75	\$39.12	0.75	\$39.12	0.75	\$39.12	0.75	\$39.12	0.75	\$39.12	0.75	\$39.12	0.75	\$39.12		
<b>Planning and Development</b>																
Senior Planner - application review, report preparation	1.00	\$ 43.16							1.00	\$ 43.16						
<b>Finance / Sales Tax Division</b>																
Sales Tax Auditor II - application review, report preparation	0.50	\$ 16.23	0.50	\$ 16.23	0.50	\$ 16.23	0.50	\$ 16.23							0.50	\$ 16.23
<b>TOTALS</b>	<b>7.25</b>	<b>\$281.42</b>	<b>5.50</b>	<b>\$213.93</b>	<b>5.25</b>	<b>\$205.82</b>	<b>5.25</b>	<b>\$216.53</b>	<b>3.25</b>	<b>\$131.08</b>	<b>3.25</b>	<b>\$131.08</b>	<b>3.25</b>	<b>\$140.91</b>	<b>2.50</b>	<b>\$91.97</b>

Proposed Licensing Fees								
	New Application	Annual Renewal	Transfer of Ownership	Change of Location	Corp Changes <10%	Manager Change	Premises Modification	Trade Name Change
	\$300	\$250	\$250	\$250	\$150	\$150	\$150	\$100

Compliance Checks		
56 liquor licenses: 2 detectives, 7 hrs. (.25 hours per license)	14.00	\$ 591.92
35 tobacco licenses: 2 detectives, 4.5 hrs (.25 hours per license)	9.00	\$ 380.52
Penalties for violations: 1st violation within 2 years - \$1,000 fine plus suspension 2nd violation within 2 years - \$2,000 fine plus suspension 3rd violation within 2 years - \$3,000 fine plus suspension 4th violation within 2 years - \$5,000 fine plus license revocation and prohibition for 3 years		
*undercover operative provided by State Liquor Enforcement Division for liquor checks.		

SPONSORED BY: MAYOR LEIGHTY

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-50  
Series of 2021

\_\_\_\_\_  
Series of 2021

A RESOLUTION SETTING RETAIL TOBACCO BUSINESS LICENSE FEES PURSUANT TO SECTION 18-19-9 OF THE NORTHGLENN MUNICIPAL CODE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The City Council hereby imposes the following retail tobacco business license fees pursuant to Section 18-19-9 of the Northglenn Municipal Code:

- |    |                             |          |
|----|-----------------------------|----------|
| A. | New Retail Tobacco License  | \$300.00 |
| B. | Annual Renewal              | \$250.00 |
| C. | Transfer of Ownership       | \$250.00 |
| D. | Change of Location          | \$250.00 |
| E. | Report of Corporate Changes | \$150.00 |
| F. | On-Site Manager Change      | \$150.00 |
| G. | Modification of Premises    | \$150.00 |
| H. | Trade Name Change           | \$100.00 |
| I. | Late Renewal                | \$100.00 |

DATED, at Northglenn, Colorado, this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
MEREDITH LEIGHTY  
Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

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COREY Y. HOFFMANN  
City Attorney