
**AN ORDINANCE OF THE CITY OF OCEANSIDE,
CALIFORNIA, AMENDING CHAPTER 7 OF THE
OCEANSIDE CITY CODE TO ESTABLISH A LIMITED
EXEMPTION FROM THE TOBACCO RETAIL LICENSE
REQUIREMENT FOR CERTAIN CIGAR-ONLY
RETAILERS**

The City Council of the City of Oceanside (“City Council”) finds as follows:

WHEREAS, the City Council has adopted tobacco retail licensing and related regulations within Chapter 7 of the Oceanside City Code to protect public health, reduce youth access to tobacco products, and ensure effective enforcement of state and local tobacco control laws; and

WHEREAS, Section 7.92.1 of the Oceanside City Code generally requires any retailer selling tobacco products to obtain and maintain a Tobacco Retail License issued by the City; and

WHEREAS, the City Council recognizes that different categories of tobacco retail activity may present differing levels of risk with respect to youth access, public health impacts, and enforcement resource allocation; and

WHEREAS, retailers that sell only cigars, limit sales to individually priced cigars at a higher price point, restrict the size and number of on-site cigar display cases, and conduct all sales through vendor-assisted transactions present a lower risk of youth access than general tobacco retailers; and

WHEREAS, the City Council finds that requiring a full Tobacco Retail License for retailers meeting these narrowly defined conditions may impose regulatory burdens that are disproportionate to the public health risk presented, while diverting City enforcement resources from higher-risk tobacco retail activity; and

WHEREAS, the City Council desires to establish a narrow and conditional exemption from the Tobacco Retail License requirement for qualifying cigar-only retailers, while preserving all other applicable tobacco control requirements, including age verification,

1 signage, vendor-assisted sales, inspections, and enforcement provisions set forth in Chapter 7 of
2 the Oceanside City Code; and

3 WHEREAS, the exemption established by this ordinance is expressly conditioned on
4 continued compliance with objective eligibility criteria, consent to reasonable compliance
5 inspections, and immediate loss of exemption upon specified violations, thereby ensuring that
6 the exemption cannot be used to circumvent the City's tobacco control regulations; and

7 WHEREAS, nothing in this ordinance is intended to conflict with or preempt state law,
8 and all retailers remain subject to applicable state licensing and regulatory requirements,
9 including the requirement to obtain and maintain a valid California Cigarette and Tobacco
10 Products Retailer's License issued by the California Department of Tax and Fee
11 Administration; and

12 WHEREAS, the City Council finds that adoption of this ordinance is a reasonable
13 exercise of the City's police powers under Article XI, Section 7 of the California Constitution,
14 and is consistent with state tobacco control laws, including Business and Professions Code
15 section 22970 et seq.; and

16 WHEREAS, the City Council, having received and reviewed the staff report and
17 supporting materials, finds that adoption of the limited exemption set forth herein is in the best
18 interest of the City and consistent with the City's public health, enforcement, and regulatory
19 objectives.

20 NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OCEANSIDE DOES
21 HEREBY AMEND CHAPTER 7 TO THE OCEANSIDE CITY CODE AS FOLLOWS:

22 SECTION 1: Addition of Section 7.92.4 to Chapter 7 of the Oceanside City Code

23 **Section 7.92.4. Exemption from Tobacco Retail License Requirement for Limited**
24 **Cigar Sales.**

25 (a) **Purpose and scope.**

26 This section establishes a narrow exemption from the tobacco retail license requirement
27 set forth in Section 7.92.1 for certain retailers selling cigars under limited conditions. Except as
28 expressly provided in this section, exempt retailers remain subject to all other provisions of this

1 article, including but not limited to the prohibitions and requirements set forth in Section 7.92
2 relating to age verification, required signage, vendor-assisted sales, and inspection compliance.

3 **(b) Exemption criteria.**

4 A retailer shall be exempt from the requirement to obtain a tobacco retail license
5 under this article only if the retailer satisfies all of the following criteria at all times:

6 1. **Cigar-only sales.** The retailer sells only cigars, as defined in subsection
7 (c)(1), and does not sell, offer for sale, or display any other tobacco products.

8 2. **Single display case.** All cigars offered for sale are stored and displayed in
9 one (1) fully enclosed display case located on the premises. For purposes of this section,
10 “display case” means a single, fully enclosed container used for the storage and display of
11 cigars and accessible only through vendor-assisted sales.

12 3. **Size limitation.** The display case does not exceed sixteen (16) inches in
13 any single exterior dimension, measured at the case’s maximum exterior points along its length,
14 width, or height.

15 4. **Minimum price.** Each cigar is offered for sale at a minimum pre-tax retail
16 price of twelve dollars (\$12.00) per individual cigar, based on the posted shelf or display price.
17 Discounts, coupons, promotions, bundled pricing, or other pricing mechanisms that reduce the
18 effective per-unit price below twelve dollars (\$12.00) are prohibited.

19 5. **Vendor-assisted sales.** All cigar sales are conducted exclusively by
20 vendor-assisted sales, as defined in Section 7.91, and customers do not have direct access to the
21 display case or its contents.

22 6. **State licensing compliance.** The retailer maintains a valid and current
23 Cigarette and Tobacco Products Retailer’s License issued by the California Department of Tax
24 and Fee Administration pursuant to Business and Professions Code section 22970 et seq.

25 **(c) Definitions.**

26 For purposes of this section, the following definitions apply:
27
28

1 1. **Cigar.** "Cigar" means a roll of tobacco wrapped in leaf tobacco or in any
2 substance containing tobacco, without a tip or mouthpiece, that is not a cigarette as defined in
3 Section 30003 of the Revenue and Taxation Code.

4 2. **Display case.** "Display case" means a single, fully enclosed container used
5 for the storage and display of cigars and accessible only through vendor-assisted sales.

6 3. **Dimension.** "Dimension" means the measurement of length, width, or
7 height of the display case, measured in inches at the case's maximum exterior points.
8

9 (d) **Inspection and records.**

10 1. **Consent to inspection.** As a condition of the exemption provided by this
11 section, the retailer consents to reasonable compliance inspections during normal business
12 hours by the City Manager or the City Manager's designee for the limited purpose of verifying
13 eligibility for the exemption and compliance with this article.

14 2. **Refusal.** Refusal to permit a reasonable compliance inspection shall
15 constitute grounds for immediate loss of the exemption pursuant to subsection (e).

16 3. **Burden of proof and records.** The retailer bears the burden of
17 demonstrating eligibility for the exemption and shall maintain and make available for
18 inspection upon request:

19 a. Documentation establishing the exterior dimensions of the display
20 case, including photographs or manufacturer specifications;

21 b. Invoices, receipts, or other records demonstrating the retail price of
22 each cigar offered for sale; and
23

24 c. A current copy of the retailer's valid California Cigarette and
25 Tobacco Products Retailer's License issued by the California Department of Tax and Fee
26 Administration.

27 ///

28 ///

1 4. **Retention period.** Records required by this subsection shall be maintained
2 for a minimum of three (3) years and shall be made available for inspection during regular
3 business hours upon reasonable notice.

4 (e) **Loss of exemption.**

5 1. **Determination.** If the City Manager or the City Manager's designee
6 determines that a retailer no longer meets the criteria set forth in subsection (b), the retailer
7 shall be deemed ineligible for the exemption.

8 2. **Notice and cure.** Upon written notice of noncompliance, the retailer shall,
9 within thirty (30) days, either:

10 a. Cure the violation to the satisfaction of the City Manager or
11 designee; or

12 b. Obtain a valid tobacco retail license pursuant to Section 7.92.1.

13 3. **Immediate loss.** Immediate loss of the exemption may be imposed
14 without a cure period for violations involving:

15 a. The sale of tobacco products other than cigars;

16 b. Sales to minors in violation of state or local law; or

17 c. Refusal to permit inspection as required by subsection (d).

18 4. **Post-exemption sales.** A retailer that continues to sell tobacco products
19 after losing eligibility for this exemption without obtaining a tobacco retail license shall be
20 subject to enforcement pursuant to subsection (f) and Section 7.95.

21 (f) **Enforcement.**

22 A retailer operating without a valid exemption or tobacco retail license shall be subject
23 to enforcement as provided in this article and Chapter 1.14 of this Code, including
24 administrative, civil, and criminal remedies, as applicable.

25 (g) **No exemption from state law.**

26 Nothing in this section shall be construed to exempt any person or retailer from:

1 1. The requirement to obtain and maintain a valid California Cigarette and
2 Tobacco Products Retailer's License pursuant to Business and Professions Code section 22970
3 et seq.;

4 2. Compliance with all other applicable state and federal tobacco control
5 laws, including age-verification requirements, health-warning requirements, advertising
6 restrictions, and flavored tobacco product prohibitions; or

7 3. Any applicable zoning, land use, or business-licensing requirements
8 imposed by the City.
9

10 **(h) Severability.**

11 If any provision of this section or its application to any person or circumstance is
12 held invalid by a court of competent jurisdiction, the remainder of this section and the
13 application of the provision to other persons or circumstances shall not be affected and shall
14 remain in full force and

15 SECTION 2. The City Clerk of the City of Oceanside is hereby directed to publish this
16 ordinance, or the title hereof, as a summary, pursuant to state statute, once within fifteen (15)
17 days after its passage in a newspaper of general circulation published in the City of Oceanside.

18 SECTION 3. This ordinance shall take effect and be in force on the thirtieth (30th) day
19 from and after its final passage.

20 SECTION 4. Severability.

21 If any section, sentence, clause, or phrase of this Ordinance is for any reason held to be
22 invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision
23 shall not affect the validity of the remaining portions of this Ordinance. The City Council
24 hereby declares that it would have passed this Ordinance and adopted this Ordinance and each
25 section, sentence, clause, or phrase thereof, irrespective of the fact that any one or more
26 sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

27 SECTION 5. With the exception of the provisions protected by the savings clause, all
28 ordinances (or parts of ordinances) in conflict with or inconsistent with this ordinance are hereby
repealed or modified to the extent necessary to affect the provisions of this Ordinance.

1 SECTION 6. Savings clause. The changes provided for in this ordinance shall not affect
2 any offense or act committed or done or any penalty or forfeiture incurred, or any right
3 established or accruing before the effective date of this ordinance, nor shall it affect any
4 prosecution, suit, or proceeding pending or any judgment rendered prior to the effective date of
5 this ordinance. All fee schedules shall remain in force until superseded by the fee schedules
6 adopted by the City Council.

7 INTRODUCED at a regular meeting of the City Council of the City of Oceanside,
8 California, held on the ____ day of _____, 2026 and, thereafter,

9 PASSED AND ADOPTED at a regular meeting of the City Council of the City of
10 Oceanside California, held on the ____ of _____, by the following vote:

11 AYES:

12 NAYS:

13 ABSENT:

14 ABSTAIN:

15
16
17 _____
MAYOR OF THE CITY OF OCEANSIDE

18 ATTEST:

19 APPROVED AS TO FORM:

20 _____
CITY CLERK

21
22 
23 _____
CITY ATTORNEY

