



**Request for City Council Committee Action
From the Department of Regulatory Services**

Date: March 13, 2001

To: CM Joe Biernat, Chair of Public Safety and Regulatory Services Committee

Referred to: CM Barbara Johnson, Chair of Ways and Means

Subject: Adjustment of Tobacco Dealer license fee from \$165 to \$250 per year.

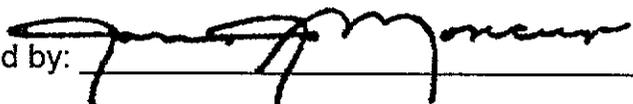
Recommendation:

1. That action be taken to increase the Tobacco Dealer license fee from \$165 annually to \$250 per year to account for: a) inflationary increases since the end of 1997, b) additional regulatory time and costs due to the state mandated annual "sale to minors" inspection and a 2% surcharge for technology.

Previous Directives:

The action proposed was a Decision Package which was adopted for this budget year.

Prepared or Submitted by: Clara Schmit-Gonzalez, Deputy Director
Licenses and Consumer Services 673-3851 and

Approved by: 
James Moncur, Director
Licenses and Consumer Services

Presenters in Committee: Clara Schmit-Gonzalez, Deputy Director
Licenses and Consumer Services
Jacob Cherucheril, Finance Manager

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain): \$38,000 in increased revenue is in the current budget projections.

Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

Neighborhood Notification

City Goals C. Develop a long-term sustainable financial strategy.

Comprehensive Plan

Zoning Code

Other

Background/Supporting Information Attached

2002 Target Strategy

Title: Increase Tobacco License Fees to Cover Mandated Inspections

Department: Regulatory Services

Organization: Licenses and Consumer Services

Fund # 0100

Agency # 835

Organization # 8360

If there are multiple funds and agencies, please include them on the same form. Please indicate total by fund.

<u>Fund</u>	<u>Cost</u>	<u>Revenues</u>	<u>FTE's</u>	<u>Job Titles/other related costs</u>
0100		\$38,000		

Please identify offsetting cost reductions to fund these initiatives.

<u>Fund</u>	<u>Cost</u>	<u>Revenues</u>	<u>FTE's</u>	<u>Job Titles/other related costs</u>
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Proposal Description:

Increase the Tobacco license fees to cover the additional costs of the annual mandated inspections and the software needed to track repeat violations over time. The previous fees was based on our local ordinance at the time which allowed us to spread inspections out more than one year and to target problem locations.

(450 licensed locations current fee \$165)

(450 licensed locations at new Fee \$250)

Does this have an impact on city goals, enterprise objectives and/or outcomes measures?

Yes No

List goal objective and outcome. (A list is available on the Finance Internet and Intranet site.)

Provide Strong Leadership and Management

Provide an efficient, effective, results-oriented City government that has a clearly defined role in relationship to other levels of government.

C. Develop a long-term sustainable financial strategy.

Increase the percentage of city general fund resources coming from other sources than property taxes.

Describe how proposal is related to goals, objectives and outcome measures.

Ensures that the tobacco license fees cover the increased services now required.

2002 Target Strategy

Impact on Services:

None. Allows for appropriate fee recovery from the industry regulated.

Mayor's Recommendation

The Mayor recommends this strategy.

Expense:

Revenue: \$38,000

Council Adopted

The Council concurs with this strategy.

CIGARETTE/TOBACCO PRODUCTS: OVER-THE- COUNTER

CITIES 0 - 2,500

Excelsior	200
Long Lake	100/year
Spring Park	12
Woodland	na

CITIES 2,500 - 10,000

Afton	na
Arden Hills	50
Bayport	250
Circle Pines	50
Corcoran	150
Dayton	20
East Bethel	100
Falcon Heights	250
Farmington	25
Forest Lake	50
Ham Lake	75
Hugo	12/annual
Independence	25
Lauderdale	40
Little Canada	175
Mahtomedi	Washington cty public health
Medina	125
New Prague	na
Newport	50
Nonwood Young A	na-County
Oak Grove	50
Oak Park Heights	30
Orono	100
Osseo	250
Rockford	nf
Shorewood	250
Spring Lake Park	150
St. Anthony	200
St. Francis	125
St. Paul Park	25
Victoria	na
Watertown	100
Wayzata	100

CITIES 10,000 - 20,000

Andover	75/yr
Anoka	250
Chanhassen	na
Chaska	200
Columbia Heights	200
Hastings	100
Hopkins	115
Lino Lakes	25
Mendota Heights	200/2 yr license
Mounds View	150/yr

North St. Paul	110
Prior Lake	250
Ramsey	125
Robbinsdale	100
Rosemount	na
Savage	100/yr
Shakopee	175
Stillwater	250
Vadnais Heights	250
West St. Paul	county handles

CITIES OVER 20,000

Apple Valley	240/2 yrs
Blaine	150
Bloomington	89.90
Brooklyn Center	150
Brooklyn Park	200
Burnsville	320
Coon Rapids	125
Cottage Grove	250
Crystal	250
Eagan	100
Eden Prairie	250
Edina	290/year
Fridley	125
Inver Grove Hgts.	done by County
Lakeville	na
Maple Grove	200
Maplewood	81
Minneapolis	165
Minnetonka	50
New Brighton	250
New Hope	200
Oakdale	25
Plymouth	200
Richfield	250
Roseville	100
Shoreview	250
South St. Paul	100/yearly
St. Paul	317
White Bear Lake	65