ORDINANCE NO.

AN ORDINANCE OF THE CITY OF MOUNTAIN VIEW 1) REPEALING ARTICLE III (TOBACCO CONTROL REGULATIONS) OF CHAPTER 21 OF THE MOUNTAIN VIEW CITY CODE, 2) AMENDING ARTICLE II OF CHAPTER 21 OF THE MOUNTAIN VIEW CITY CODE TO MAKE CLARIFYING EDITS, DELETE INCONSISTENT PROVISIONS AND ADD A PROVISION FROM ARTICLE III PROHIBITING SMOKING AND USE OF TOBACCO-RELATED PRODUCTS AROUND PUBLIC PLAYGROUNDS, 3) ENACTING CHAPTER 48 OF THE MOUNTAIN VIEW CITY CODE REGULATING THE SALE OF TOBACCO PRODUCTS, ESTABLISHING A TOBACCO RETAIL PERMIT PROGRAM, AND BANNING THE SALE OF FLAVORED TOBACCO, ELECTRONIC CIGARETTES, AND VAPE-RELATED PRODUCTS WITHIN THE CITY OF MOUNTAIN VIEW, AND 4) FINDING THAT THESE CODE AMENDMENTS ARE NOT SUBJECT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, it is well known that nicotine is a highly addictive substance; and

WHEREAS, most e-cigarette fluids contain nicotine and, according to the Centers for Disease Control and Prevention (CDC), also contain cancer-causing chemicals, heavy metals, and ultrafine particles that may harm brain development and other vital organs such as the heart and lungs; and

WHEREAS, flavored tobacco and e-cigarette devices and products are often marketed in a way that appeals to youth; and

WHEREAS, in December 2018, the United States Surgeon General declared youth ecigarette use an "epidemic", citing a dramatic increase in usage among adolescents; and

WHEREAS, according to data from the CDC and the Food and Drug Administration (FDA), e-cigarette use among high school students rose by approximately 78% between 2017 and 2018; and, as of 2023, 10% of high school students and 4.6% of middle school students reported using e-cigarettes in the past 30 days; and

WHEREAS, in 2020, California passed Senate Bill 793, banning the retail sale of most flavored tobacco products, including flavored e-cigarettes, which California voters overwhelmingly upheld against challenge by the tobacco industry in November 2022; and

WHEREAS, several local jurisdictions have passed local laws banning the sale of all ecigarettes regardless of flavor; and

WHEREAS, these laws are part of California's broader public health strategy to combat nicotine addiction, particularly among teens drawn to flavored e-cigarette products; and

WHEREAS, adopting and implementing an e-cigarette and flavored tobacco ban and a tobacco retailer permit program in the City of Mountain View will help reduce access to these products and may help reduce use, ultimately protecting adults and youth from the harmful health effects associated with tobacco use and vaping; now, therefore

THE CITY COUNCIL OF THE CITY OF MOUNTAIN VIEW DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Article III of Chapter 21 of the Mountain View City Code entitled "Tobacco Regulations" is hereby repealed in its entirety.

SECTION 2. Article II of Chapter 21 of the Mountain View City Code is amended to add, delete, or modify its provisions as set forth below. Section titles are shown in **bold** font, additions are shown in <u>red underline</u> font and deletions are shown by strikethrough font. Provisions that are not shown in underline or strikethrough font are not changed.

ARTICLE II. PROHIBITION AND REGULATION OF SMOKING IN CERTAIN PLACES

SEC. 21.46 21.2.5. Legislative findings.

The city council does hereby find that tobacco smoke is detrimental to the health, welfare and comfort of the general public and recognizes the right and need of those who wish to breathe fresh air. Accordingly, it has been determined that the health, safety and general welfare of the residents of, persons employed in and persons who frequent this city would be furthered by the prohibition and regulation of smoking in enclosed places or defined places, including places of employment.

SEC. 21.47 21.2.10. Definitions.

For the purposes of this article, the following definitions shall apply:

- a. "City vehicle" shall mean any vehicle, including, but not limited to, trucks, vans or automobiles owned by the city.
- **b.** "Common area" means every enclosed area or unenclosed area of a multi-unit residence accessible and usable by residents of more than one (1) unit of that multi-unit residence, including, but not limited to, halls, paths, walkways, lobbies, courtyards, elevators and stairs, community rooms, playground areas, gym facilities, swimming pool areas, parking garages and parking lots, shared restrooms, shared laundry rooms, shared cooking areas and shared eating areas.

- <u>c.</u> "Dining area" means any area, including streets and sidewalks, which is available to or customarily used by the general public, and which is designed, established or regularly used for consuming food or drink.
- <u>d.</u> "Electronic smoking device paraphernalia" means cartridges, cartomizers, e-liquid, smoke juice, tips, atomizers, electronic smoking device batteries, electronic smoking device chargers and any other item specifically designed for the preparation, charging or use of electronic smoking devices.
- e. "Employee" shall mean any person who is employed by, or volunteers services to, any employer in consideration for direct or indirect monetary wages or profit.
- <u>f.</u> "Employer" means any person who employs the services of an individual person.
- g. "Enclosed" means a space or area completely separated by a ceiling, roof(s) and three (3) or more walls that form a continuous perimeter, with appropriate openings for ingress and egress.
- <u>h.</u> "Hotel" means hotel, motel, motor inn, bed and breakfast, boarding house and other similar establishments in which the operator has the status of an innkeeper.
- i. "Multi-unit residence" means property containing three (3) or more attached units, except the following, which are specifically excluded:
 - a.(1) A campground;
 - b.(2) A hotel or motel satisfying the requirements of state and local law;
 - c.(3) A single-family home;
 - d.(4) A single-family home with a detached or attached in-law or second unit; and
 - e.<u>(5)</u> Duplexes.
- i. "Outdoor amphitheater seating area" means any outdoor seating area available to the public at any amphitheater used for public performances.
- <u>k.</u> "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, municipal corporation, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit.

- L. "Picnic area" means any area in a city park where picnic tables are located and designed, established or regularly used for consuming food or drink.
- m. "Place of employment" means any enclosed area under the control of a private employer or public employer within the jurisdiction of the city which employees normally frequent during the course of employment, including, but not limited to, common and private work areas or offices, employee lounges, conference and meeting rooms, auditoriums, classrooms, stairways, elevators, restrooms, hallways, vehicles, medical facilities, employee cafeterias and other enclosed facilities.
- n. "Public places" means enclosed areas within publicly and privately owned buildings, structures, facilities or complexes that are open to, used by or accessible to the general public, regardless of any fee or age requirement. Public places include, but are not limited to, entertainment facilities, personal service establishments (such as tailors, laundromats and beauty salons), stores, malls, banks, dining establishments, hotels, motels, depots and transit terminals, theaters and auditoriums, enclosed sports arenas, convention centers, museums, galleries, polling places, child-care and day-care centers, schools, hospitals and other health-care facilities of any kind (including clinics, dental, chiropractic or physical therapy facilities), pharmacies, automotive service centers, general business offices, nonprofit entity offices and libraries. Public places further include, but are not limited to, hallways, restrooms, stairways, escalators, elevators, lobbies, reception areas, waiting rooms, indoor service lines, check-out stations, counters and other pay stations, classrooms, meeting or conference rooms, lecture rooms, taxicabs, enclosed buses and bus waiting lines, enclosed bus and train shelters or other enclosed places open to the public and/or in which members of the general public congregate for service or otherwise frequent. Public places do not include common areas of apartments and condominiums.
- o. "Reasonable distance" means a distance of twenty-five (25) feet in any direction from an area in which smoking is prohibited.
- p. "Smoke" means the gases, particles or vapors released into the air as a result of combustion, electrical ignition or vaporization, when the apparent or usual purpose of the combustion, electrical ignition or vaporization is human inhalation of the by-products, such as, for example, tobacco smoke, and smoke from other controlled substances, except when the combusting material contains no tobacco and the purpose of inhalation is solely olfactory, such as, for example, smoke from incense, and includes vapor from an electronic cigarette.
- <u>q.</u> "Smoking" means inhaling, exhaling, burning or carrying any lighted, heated or ignited cigar, cigarette, cigarillo, pipe, hookah, electronic smoking device or any plant product intended for human inhalation.

- r. "Tobacco product" means any product containing, made from or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed or ingested by any other means, including, but not limited to, cigarettes, cigars, cigarillos, chewing tobacco, pipe tobacco and snuff and any electronic smoking device. "Tobacco product" also includes any component, part or accessory intended or reasonably expected to be used with a tobacco product, whether or not sold separately.
- <u>s.</u> "Tobacco store" means a retail store utilized primarily for the sale of tobacco products and accessories and in which the sale of other products is incidental.

"Tobacco vending machines" means any electronic or mechanical device or appliance, the operation of which depends upon the insertion of money or other thing representative of value which dispenses or releases a tobacco product and/or tobacco accessories.

- t. "Unenclosed area" means any area that is not enclosed.
- Unit" means a personal dwelling space, even where lacking cooking facilities or private plumbing facilities, and includes any associated exclusive-use enclosed area or unenclosed area, such as, for example, a private balcony, porch, deck, or patio. "Unit" includes, but is not limited to, an apartment; a condominium; a townhouse; a room in a long-term health-care facility, assisted living facility or hospital; a hotel or motel room; a room in a single-room occupancy ("SRO") facility; or a room in a homeless shelter.

SEC. 21.48 21.2.15. Prohibition and regulation of smoking in city-owned facilities.

Smoking shall be prohibited in all enclosed areas of facilities owned by the city, including city vehicles, and shall be subject to the provisions of this article except as specified in subsection 21.52.d.

SEC. 21.49 21.2.20. Prohibition of smoking in certain places locations.

- a. In addition to smoking prohibitions under federal or state law, smoking shall be prohibited in the following locations within the City of Mountain View: Except as specified in Sec. 21.52, and except in any place or area where smoking is already prohibited by state or federal law, in which case those laws apply, smoking shall be prohibited in the following places within the city:
 - a.<u>1.</u> All enclosed public places available to and customarily used by the general public and in all enclosed businesses patronized by the public.

- b.2. Places of employment.
- c.3. Semiprivate rooms of health facilities.
- d.<u>4.</u> Common areas in retirement facilities and nursing homes.
- e.<u>5.</u> Outdoor amphitheater seating areas, including both fixed and informal seating areas, with a view of the stage.
- f.<u>6.</u> Picnic areas.
- g.<u>7.</u> Dining areas.
- h.<u>8.</u> Multi-unit residences.

SEC. 21.49.5 21.2.25. Reasonable smoking distance required.

- a. Smoking in all unenclosed areas shall be prohibited within a reasonable distance from any doorway, operable window, opening, crack or vent into an enclosed area in which smoking is prohibited, except while actively passing on the way to another destination and provided smoke does not enter any enclosed area in which smoking is prohibited.
- b. Smoking in all unenclosed areas shall be prohibited within a reasonable distance from any unenclosed areas in which smoking is prohibited under Sec. 21.49 21.2.20 of this article, except while actively passing on the way to another destination and provided smoke does not enter any unenclosed area in which smoking is prohibited.

SEC. 21.2.30. No smoking near playgrounds and tot lot sandboxes.

- a. Definitions.
 - 1. For purposes of this subsection, "Playground" shall mean any park or recreational area within the City of Mountain View equipped with play structures or equipment, such as swings, slides and jungle gyms, that has been designed for use by children, including any such recreational areas located on public school grounds.
 - 2. For purposes of this subsection, "Tot Lot Sandbox" shall mean a designated play area within a public park designed for use by children under age five (5). If the Tot Lot Sandbox area is not enclosed by a fence, the boundary of a Tot Lot Sandbox area shall be defined by the edge of the surface of safety material, such as concrete or wood, or any other materials surrounding the Tot Lot Sandbox area.

- b. No person shall smoke a cigarette, electronic cigarette, cigar, or other tobacco-related product or chew or ingest any tobacco-related product within thirty (30) feet of any Playground or Tot Lot Sandbox area.
- c. No person shall dispose of cigarette butts, electronic cigarette products, cigar butts or any other tobacco-related waste within thirty (30) feet of a Playground or a Tot Lot Sandbox.
- d. The prohibitions contained in subsections b and c shall not apply to private property.
- e. <u>The prohibitions contained in subsections b and c shall not apply to a public sidewalk</u> <u>located within thirty (30) feet of a Playground or a Tot Lot Sandbox area.</u>

SEC. 21.50 Reserved.

SEC. 21.51. Regulation of tobacco vending machines.

a. No person shall locate, install, keep or maintain a tobacco vending machine except in a place which under state law is not lawfully accessible to minors.

b. This section shall become effective ninety (90) days after its enactment. Any tobacco vending machine not in conformance with this section upon its effective date shall be removed.

SEC. 21.52 21.2.35. Smoking—Optional areas.

Notwithstanding any other provisions of this article to the contrary, and subject to any applicable provisions of state and federal <u>law-Except as otherwise provided by federal or state law, in which</u> case those laws apply, the following areas shall not be subject to the smoking restrictions of this set forth in this article article:

- a. Private residences, except when used as places of business for child or elder care as a home business employing one (1) or more employees other than the residents, during the hours the residence is used for business. If the private residence is within a multi-unit residence, then the residence is subject to the provisions of Sec. 21.56 21.2.55 of this article.
- b. Hotel and motel, inn or other similar establishment guest rooms rented to guests, in conformance with state law.
- c. Retail stores that deal primarily in the sale of tobacco products and smoking paraphernalia, in conformance with state law.

d. On-stage smoking as part of a stage production, ballet or similar exhibition, in conformance with state law.

SEC. 21.53 21.2.40. Posting requirements.

"Smoking" or "no smoking" signs, whichever are appropriate, with letters of not less than one (1) inch in height or the international "no smoking" symbol (consisting of a pictorial representation of a burning cigarette enclosed in a red circle with a red bar across it) shall be clearly, sufficiently and conspicuously posted in every building or other place where smoking is controlled by this article by the owner, operator, manager or other person having control of such building or other place.

SEC. 21.54-21.2.45. Enforcement and interpretations.

- a. Any resident who desires to register a complaint hereunder may initiate enforcement with the city manager or designees.
- b. Enforcement and interpretation shall be implemented by the city manager or designees. The fire department shall have the authority to require from any occupancy, while undergoing the regular yearly inspection, a "self-certification" from the owner, manager, operator or other person having control of such establishment, that all requirements of this article have been complied with.
- c. Any owner, manager, operator or employee of any establishment controlled by this article shall have the right to inform persons violating this article of the appropriate provisions thereof.

SEC. 21.55 21.2.50. Penalties.

- a. The remedies provided by this article are cumulative and in addition to any other remedies available at law or in equity.
- b. It shall be unlawful for any person who owns, manages, operates or otherwise controls the use of any premises subject to the restrictions of this article to fail to: properly post signs required hereunder; to provide signs for the use of employees in designating their area; to properly set aside required "no smoking" areas; or to comply with any other requirements of this article.

No person, employer or nonprofit entity shall knowingly permit smoking in an area which is under the legal or de facto control of the person, employer or nonprofit entity and in which smoking is prohibited by law, unless otherwise required by state or federal law.

- c. It shall be unlawful for any person to smoke in any area restricted by the provisions of this article.
- d. It shall be unlawful for any person or entity to retaliate in any manner against any person who asserts that person's rights under this article.
- e. Any person who violates subsections b. or c. hereinabove, or any other provisions of this article, shall be guilty of an infraction, punishable by:
 - 1. A fine not exceeding \$100.00 for a first violation.
 - 2. A fine not exceeding \$200.00 for a second violation of this article within one (1) year.
 - 3. A fine not exceeding \$500.00 for each additional violation of this article within one (1) year.
- f. Violations of this article are subject to a civil action brought by the city, punishable by a fine of not less than \$250.00 and not exceeding \$1,000.00 per violation.
- g. Causing, permitting, aiding, abetting or concealing a violation of any provision of this article shall also constitute a violation of this article.
- h. Any violation of this article is hereby declared to be a nuisance.
- i. In addition to other remedies provided by this article or by other law, any violation of this article may be remedied by an enforcement action brought by the city, including, but not limited to, administrative or traditional nuisance abatement proceedings, civil or criminal code enforcement proceedings and suits for injunctive release.

SEC. 21.56 21.2.55. Multi-unit residences.

Beginning January 1, 2022:

- a. Smoking is prohibited, and no person shall smoke inside any new or existing unit of a multi-unit residence, in any enclosed or unenclosed common area of a multi-unit residence or within a reasonable distance of any operable doorway, window, opening or vent of a multi-unit residence.
- <u>b.</u> Smoking is prohibited in multi-unit residences as provided in subsection a. of this section, except that a person with legal control over a common area, or authorized representative,

may designate a portion of the common area as a designated smoking area, provided that, at all times, the designated smoking area complies with subsection c. of this section.

- c. Designated smoking areas in multi-unit residences. A designated smoking area shall:
 - Be located in an unenclosed and clearly delineated area totaling not more than ten (10) percent of the total unenclosed area of the multi-unit residence for which it is designated;
 - 2. Be located at least a reasonable distance away from any operable doorway, window, opening or other vent into an enclosed area. This requirement is not limited to the doors, windows, openings or other vents in the same multi-unit residence. Rather, it is intended to apply to any doors, windows, openings or other vents within the reasonable distance radius, whether on the same property or otherwise;
 - 3. Have receptacles designed for and primarily used for disposal of tobacco waste and that are maintained free of tobacco-related litter, including, but not limited to, cigarette butts;
 - 4. Be identified clearly and conspicuously by "designated smoking area" signs with letters not less than one (1) inch in height.
 - 5. Be at least a reasonable distance from, and shall not include, unenclosed areas primarily used by children or that facilitate physical activity, including, for example, playgrounds, parks, swimming pools and school campuses.
- <u>d.</u> Common areas free from smoking waste. Persons with legal control over common areas in multi-unit residences and their authorized representatives shall ensure that all common areas except those meeting the requirements of subsection c. of this section remain free of smoking and tobacco waste, ash trays, ash cans or other receptacles designed for or primarily used for disposal of smoking and tobacco waste.
- e. Signage. "No smoking" signs shall be posted as required by Sec. 21.53 21.2.40 of this chapter but are not required inside any unit of a multi-unit residence. Signs shall be maintained by the person or persons with legal control over the common areas or the authorized representative of such person.
- <u>f.</u> Lease terms. Every lease or other rental agreement for the occupancy of a new or existing unit in a multi-unit residence entered into, renewed or continued month-to-month after the effective date of the ordinance codified in this chapter shall include the following:

- 1. A true and correct copy of the full text of this chapter or an abridged version published by the city manager or designee.
- 2. A description of and/or image depicting the location(s) of any designated smoking area(s) on the property, if any.
- 3. A clause expressly conveying third-party beneficiary status to all occupants of residences or residence units within reasonable distance as to the smoking provisions of the lease or other rental agreement such that an aggrieved third-party beneficiary may institute a private civil action as against violator(s) to enforce the provisions of this chapter.

If a tenant with an existing lease or rental agreement as of January 1, 2022 does not agree to add the terms required by this subsection to their existing lease or rental agreement, then the landlord shall be deemed to have complied with the requirements of this subsection upon providing the tenant with written notice of each of the terms required by paragraphs 1. through 3. of this subsection.

- <u>g.</u> Whether or not a landlord complies with subsection f. of this section, the clauses required by that subsection shall be implied and incorporated by law into every agreement to which subsection f. of this section applies and shall become effective as of the earliest possible date on which the landlord could have made the insertions pursuant to subsection f. of this section.
- <u>h.</u> A tenant's violation of the provisions of this Sec. 21.56 21.2.55 shall not be considered a violation of a material lease or rental agreement term, nor shall a violation provide a basis for termination of a tenancy under paragraph (2) of subdivision (a) of Section 1705 of the Community Stabilization and Fair Rent Act (Charter Article XVII), unless and until the lease or rental agreement terms required by this chapter have been accepted in writing by the tenant in accordance with the provisions of that paragraph (2).
- <u>i.</u> This chapter <u>section</u> shall not create additional liability for a landlord to any person for a tenant's breach of any smoking provision in a lease or other rental agreement for the occupancy of a unit in a multi-unit residence if the landlord has fully complied with the provisions of this chapter, except as otherwise allowed by applicable state law.

SEC. 21.56.1 21.2.60. Other applicable laws.

This article shall not be interpreted or construed to permit smoking where it is otherwise restricted prohibited by federal, state or other applicable local laws.

SECTION 3. The Mountain View City Code is hereby amended to add Chapter 48 imposing regulations and restrictions on the sale and distribution of Tobacco, Electronic Cigarettes and related products. Section titles are shown in **bold** font, additions are shown in <u>red underline</u> font.

CHAPTER 48 – TOBACCO AND ELECTRONIC CIGARETTE REGULATIONS AND RESTRICTIONS

ARTICLE I – GENERAL PROVISIONS.

SEC. 48.1.5. Intent.

- a. This Chapter is adopted to:
 - <u>1.</u> <u>Encourage responsible retailing of Tobacco Products.</u>
 - 2. Discourage violations of laws related to Tobacco Products, especially laws that prohibit the Sale or Distribution of Tobacco Products to individuals under 21.
 - 3. <u>Respond to a new wave of addiction to Electronic Cigarette Products.</u>
 - 4. <u>Reduce the risk of unexplained illnesses associated with Electronic Cigarette Products.</u>
 - 5. <u>Protect the public health and welfare.</u>
- b. <u>This Chapter does not expand or reduce the degree to which the acts regulated by federal</u> or state law are criminally proscribed or alter the penalties provided by such laws.

SEC. 48.1.10. Definitions.

For the purposes of this Chapter, the following definitions shall apply:

- a. <u>"Arm's Length Transaction" means a Sale in good faith and for valuable consideration that</u> reflects the fair market value in the open market between two or more informed and willing parties, neither of which is under any compulsion to participate in the transaction. A Sale between relatives, related companies or partners, or a Sale for which a significant purpose is avoiding the effect of the violations of this Chapter is not an Arm's Length Transaction.
- b. <u>"Department" means the Santa Clara County Department of Environmental Health and</u> any agency or Person designated by the Director of the Department of Environmental Health to enforce or administer the provisions of this Chapter.

- c. <u>"Distribute or Distribution" means the transfer, by any Person other than a common</u> <u>carrier, of a Tobacco Product to another Person for Sale or personal consumption.</u>
- <u>d.</u> <u>"Electronic Cigarette Products" means any of the following products:</u>
 - 1. Any device or delivery system that can be used to deliver nicotine in aerosolized or vaporized form, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, ore-hookah.
 - 2. Any component, part, or accessory of such a device or delivery system that is used during its operation.
 - 3. Any flavored or unflavored liquid or substance containing nicotine, whether sold separately or sold in combination with any device or delivery system that could be used to deliver nicotine in aerosolized or vaporized form.
 - 4. Any product for use in an electronic nicotine device or delivery system whether or not it contains nicotine or tobacco or is derived from nicotine or tobacco.
 - 5. Electronic Cigarette Products shall not include any battery, battery charger, carrying case, or other accessory not used in the operation of the device if sold separately. Electronic Cigarette Products shall not include any product that has been approved by the United States Food and Drug Administration for Sale as a tobacco cessation product or for other therapeutic purposes where that product is marketed and sold solely for such approved use. See 21 U.S.C. § 387(a). As used in this subsection, nicotine does not include any food products as that term is defined pursuant to Section 6359 of the California Revenue and Taxation Code.
- e. <u>"Impound" means the legal control exercised by the Department over the use, sale,</u> <u>disposal, or removal of any Tobacco Products.</u>
- <u>f.</u> <u>"Ownership" means possession of a ten percent or greater interest in the stock, assets, or income of a business, other than a security interest for the repayment of debt. Notwithstanding any other definition in this Code, an Owner means a Person who possesses Ownership.</u>
- g. <u>"Permit" means a valid permit issued by the Department to a Person to act as a Retailer.</u>
- h. <u>"Person" means any natural person, firm, for-profit or non-profit corporation,</u> partnership, club, or any association or combination of natural persons, whether acting by themselves or through any servant, agent, or employee.
- i. "Retailer" means any Person who Sells or Distributes Tobacco Products for any form of

consideration, whether or not they possess a current Permit. Retailing shall mean the doing of any of these actions. This definition is without regard to the quantity of Tobacco Products Sold or Distributed.

- i. "Sale, Sell and Sold" includes any sale, exchange, barter, or offer for sale.
- <u>k.</u> <u>"School" means a public or private elementary, middle, junior high, or high school.</u>
- I. "Tobacco Product" means (unless specifically noted elsewhere) any product subject to Subchapter IX (21 U.S.C. § 387 et seq. ("Subchapter IX") of the Federal Food, Drug, and Cosmetic Act. (See 21 U.S.C. § 387a(b) (products subject to Subchapter IX); 21 C.F.R. §§ 1100.1-1100.3 (tobacco products subject to Subchapter IX) and Electronic Cigarette Products. Products subject to Subchapter IX include, but are not limited to, cigarettes, cigarette tobacco, roll-your-own tobacco, smokeless tobacco, cigars, pipe tobacco, and waterpipe tobacco. Products that are not subject to Subchapter IX include accessories of Tobacco Products, such as, but not limited to, ashtrays, spittoons, and conventional matches and lighters that solely provide an external heat source to initiate but not maintain combustion of a Tobacco Product.

ARTICLE II – TOBACCO RETAIL REGULATIONS.

SEC. 48.2.5. Requirements and Prohibitions.

- a. <u>Permit required</u>. It shall be unlawful for any Person to act as a Retailer in the City of Mountain View without first obtaining and maintaining a Permit pursuant to this Chapter for each location at which Retailing occurs.
- b. <u>Lawful business operation</u>. It shall be a violation of this Chapter for any Retailer to violate any federal, state or local law applicable to Tobacco Products or the Retailing of such <u>Tobacco Products</u>.
- c. <u>Display of Permit</u>. Each Permit shall be prominently displayed in a publicly visible place at the location identified in the Permit.
- d. Notice of minimum age for purchase of Tobacco Products. Retailers shall post conspicuously, at each point of purchase, a notice stating that selling Tobacco Products to anyone under 21 years of age is illegal and subject to penalties. Such notice shall be subject to the approval of the Public Health Department.
- e. <u>Positive identification required</u>. No Retailer shall Sell or Distribute a Tobacco Product to another individual without first examining the individual's identification to confirm that the individual is at least the minimum age required under state law to purchase and possess the Tobacco Product.

- f. <u>Minimum age for individuals selling Tobacco Products</u>. No individual who is younger than the minimum age established by state law for the purchase or possession of Tobacco Products shall engage in Retailing.
- g. False and misleading advertising prohibited. A Retailer without a Permit:
 - <u>1.</u> <u>Shall keep all Tobacco Products out of public view.</u>
 - 2. Shall not display any advertisement relating to Tobacco Products that promotes the Sale or Distribution of such products from the Retailer's location or that could lead a reasonable consumer to believe that Tobacco Products can be obtained at that location.
- h. Limitation on storefront advertising. No more than 15 percent of the square footage of the windows and clear doors of a physical storefront used for Retailing Tobacco Products shall bear advertising or signs of any sort, and all advertising and signage shall be placed and maintained in a manner that ensures that law enforcement personnel have a clear and unobstructed view of the interior of the premises, including the area in which the cash registers are maintained, from the exterior public sidewalk or entrance to the premises.
- i. <u>Flavored Tobacco Products.</u>
 - 1. No Retailer, including Retailers with a Permit, shall Sell a Tobacco Product containing, as a constituent or additive, an artificial or natural flavor or aroma (other than tobacco) or an herb or spice, including but not limited to strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, mint, menthol, or coffee, that is a characterizing flavor or aroma of the Tobacco Product, smoke, or vapor produced by the Tobacco Product.
 - 2. <u>A Tobacco Product shall be subject to a rebuttable presumption that the product is</u> prohibited by paragraph (1) of this subsection if:
 - (A) the product's manufacturer or any other Person associated with the manufacture or Sale of Tobacco Products makes or disseminates public statements or claims to the effect that the product has or produces a characterizing flavor or aroma, other than tobacco; or
 - (B) the product's label, labeling, or packaging includes a statement or claim- including any text and/or images used to communicate information-that the product has or produces a characterizing flavor or aroma, other than tobacco.

- i. <u>Vending machines prohibited</u>. No Tobacco Product shall be sold or Distributed to the public from a vending machine or appliance, or any other coin or token operated mechanical device designed or used for vending purposes, including, but not limited to, machines or devices that use remote control locking mechanisms.
- k. <u>Prohibition on Sale or Distribution of Tobacco Products to individuals under 21. No</u> <u>Retailer shall Sell or Distribute any Tobacco Product to any individual who is under 21</u> <u>years of age.</u>
- I. <u>Prohibition on Sale or Distribution of Electronic Cigarette Products</u>. No Retailer, including <u>Retailers with a Permit, shall Sell or Distribute Electronic Cigarette Products within the</u> <u>City of Mountain View</u>.

SEC. 48.2.10. Permit Application.

- a. It shall be the responsibility of each Retailer to be informed of all laws applicable to Retailing, including those laws affecting the issuance of a Permit. No Retailer may rely on the issuance of a Permit as a determination by the City or the County of Santa Clara that the Retailer has complied with all laws applicable to Retailing. A Permit issued contrary to this Chapter, contrary to any other law, or on the basis of false or misleading information supplied by a Retailer shall be revoked in accordance with this Chapter.
- b. All Permit applications shall be submitted to the Department on a form supplied by the Department.
- c. <u>A permitted retailer shall inform the Department in writing of any change in the</u> <u>information submitted on an application for a Permit within fourteen (14) calendar days</u> <u>of a change.</u>
- d. All information included in an application pursuant to this Chapter shall be subject to disclosure under the California Public Records Act (Government Code Section 7920.000, et seq.) or any other applicable law, subject to the laws' exemptions.

SEC. 48.2.15. Permit Issuance, Denial, and Revocation.

- a. Upon the receipt of a complete application for a Permit, the application fee, and the annual Permit fee, the Department shall issue a Permit unless substantial evidence demonstrates that one or more of the following bases for denial exists:
 - <u>1.</u> <u>The information presented in the application is inaccurate or false.</u>
 - 2. <u>The application seeks authorization for Retailing at a location where Tobacco Retailing</u> is prohibited by the Mountain View City Code.

- 3. <u>The application seeks authorization for Retailing by a Person to whom this Chapter</u> prohibits issuance of a Permit.
- 4. The application seeks authorization for a Retailer whose Permit has previously been revoked or who has otherwise violated any provision of this Chapter within the last 60 months.
- 5. The application seeks authorization for Retailing that is prohibited pursuant to this Chapter (e.g., mobile vending, Electronic Cigarette Products) or that is unlawful pursuant to any other law.
- 6. <u>The application seeks authorization for Retailing by a Retailer who has failed to pay</u> any fees, penalties, or reinspection fees required by this Chapter.
- b. A Permit shall be revoked if the Department finds that one or more of the bases for denial of a Permit under this section existed at the time application was made or at any time before the Permit issued. Such a revocation shall be without prejudice to the filing of a new Permit application.
- c. <u>A Permit shall be permanently revoked if the Retailer has committed violations as</u> <u>specified in section 48.3.15(c).</u>

SEC. 48.2.20. Permit Term, Conditions, Renewal and Expiration.

- a. <u>Term of Permit</u>. The term of a Permit is one year. A Permit is invalid upon expiration.
- b. <u>Conditions of Permit</u>. As conditions of Permit issuance and retention, Retailer shall:
 - Allow Compliance Inspections as described in Section 48.3.5 and expressly consent to inspection of all areas and records of a Retailer's business required to effectuate the purpose of this Chapter, including unlocking and allowing access to any area of Retailer's business requested by any individual authorized to monitor and facilitate compliance with this Chapter.
 - 2. Comply with any order of the Department to impound any product not authorized to be sold by this Chapter and cooperate with any Departmental seizure of any product, subject to appeal of those actions.
 - 3. Failure to comply with these Permit conditions may result in Permit suspension or revocation as described in Section 48.3.15.
- c. <u>Renewal of Permit</u>. The Department shall renew a Permit upon timely payment of the annual Permit fee provided that the Retailer complies with this Chapter, as amended. The

Department may, in its discretion, agree to renew any expired Permit within the threemonth period following expiration if the Retailer pays the annual Permit fee and applicable late charges. For every calendar month, or fraction thereof, that a Retailer fails to renew an expired Permit, a late charge equal to 20 percent of the annual Permit fee shall be assessed. A Permit renewed within three calendar months of expiration shall be treated as if timely renewed.

d. <u>Issuance of Permit after revocation or expiration of Permit.</u> To apply for a new Permit more than three calendar months after expiration of a Permit or following revocation of a Permit that was wrongly issued, a Retailer must submit a complete application for a Permit, along with the application fee and annual Permit fee. Thereafter, the Department shall process the Permit application in accordance with the requirements of Section 48.2.15 of this Chapter.

SEC. 48.2.25. Fees.

The Department shall not issue or renew a Permit before full payment of any applicable fees. The Santa Clara County Board of Supervisors shall, from time to time, establish by resolution the fees to issue or to renew a Permit. The fees shall be calculated so as to recover the cost of administration of this Chapter, including, for example, issuing a Permit, administering the Permit program, Retailer education, and routine Retailer inspection and compliance, but shall not exceed the cost of the regulatory program authorized by this Chapter. All fees and interest earned from such fees shall be used exclusively to fund administration and enforcement of this Chapter.

ARTICLE III – ENFORCEMENT, PENALTIES AND ADMINISTRATIVE REVIEW.

SEC. 48.3.5. Compliance Monitoring.

- a. Compliance with this Chapter shall be monitored by the Department. In addition, any peace officer may enforce the penal provisions of this Chapter. The Santa Clara County Executive may designate any number of additional individuals to monitor and facilitate compliance with this Chapter.
- b. The Department or other individuals designated to enforce the provisions of this Chapter shall monitor each Retailer at least once per 12-month period to determine if the Retailer is complying with all laws applicable to Retailing, other than those laws regulating underage access to Tobacco Products. Nothing in this paragraph shall create a right of action in any Retailer or other Person against the Department, Santa Clara County, the City of Mountain View or their agents.
- c. Any Retailer found to be in violation of this Chapter shall pay all costs related to enforcement to ensure Retailer's compliance with this Chapter, including but not limited

to fees for reinspection to determine compliance after a violation, enforcement costs, litigation costs, and attorneys' fees in any administrative or civil matter in which the in which the Department prevails pursuant to Division A1 of the County of Santa Clara Ordinance Code or any other federal, state or local law.

SEC. 48.3.10. Prevention of Underage Sales.

- a. The Public Health Department, Department of Environmental Health, or other departments or individuals designated to enforce the provisions of this Chapter shall monitor each Retailer at least twice per 12-month period to determine whether the Retailer is conducting business in a manner that complies with laws regulating youth access to Tobacco Products. Nothing in this paragraph shall create a right of action in any Retailer or other Person against the County or its agents.
- b. The County shall not enforce any law establishing a minimum age for Tobacco Product purchases against an individual who otherwise might be in violation of such law because of the individual's age ("Youth Decoy") if the potential violation occurs when:
 - 1. <u>The Youth Decoy is participating in a compliance check supervised by a peace officer</u> <u>or a code enforcement official of the County;</u>
 - 2. <u>The Youth Decoy is acting as an agent of a Department or individual designated by the</u> <u>County to monitor compliance with this Chapter; or</u>
 - 3. The Youth Decoy is participating in a compliance check funded in part, either directly or indirectly through subcontracting, by the County or the California Department of <u>Public Health.</u>

SEC. 48.3.15. Penalties for Violations by a Retailer with a Permit.

- a. <u>Administrative fine</u>. In addition to any other penalty authorized by law, a Retailer shall pay a fine if the Retailer or the Retailer's agents or employees violate any of the requirements, conditions, or prohibitions of this Chapter. The amount of the administrative fine for each violation of this Chapter shall be as follows:
 - 1. A fine not to exceed \$1,000 for each violation identified during the first instance in which the Retailer has committed a violation or violations;
 - 2. A fine not to exceed \$2,500 for each violation identified during a subsequent instance if the Retailer has committed a previous violation or violations within a 60-month period; and
 - 3. A fine not to exceed \$5,000 for each violation identified during a subsequent instance

after the Retailer twice committed a previous violation or violations within a 60month period.

- b. <u>Permit suspension</u>. In addition to any other penalty authorized by law, the Department may suspend a Permit if the Department demonstrates that the Retailer or any of the Retailer's agents or employees has violated any of the requirements, conditions, or prohibitions of this Chapter. The period of the suspension shall be as follows:
 - <u>1.</u> <u>A suspension not to exceed 30 calendar days for an initial violation.</u>
 - 2. <u>A suspension not to exceed 180 calendar days if a Retailer commits a violation or violations during two instances within a 60-month period.</u>
 - 3. When a Permit is suspended based on a violation of this Chapter, the Department shall post a placard at the physical location used for Retailing Tobacco Products to notify the general public of the suspension. The placard shall be:
 - (A) Posted in the front window of the storefront used for Retailing Tobacco Products within five feet of the front door; or
 - (B) Posted in a display case mounted on the outside front wall of the physical location used for Retailing Tobacco Products within five feet of the front door; or
 - (C) Posted in a location approved by the Director to ensure proper notice to the general public and to patrons of the physical location used for Retailing Tobacco Products.
 - (D) Once attached to a building or structure, a placard is not to be removed, altered, or covered until done so by an authorized representative of the Department or upon written notification from the Department.
- c. <u>Permanent permit revocation</u>. In addition to any other penalty authorized by law, the <u>Department shall permanently revoke a Permit if a Retailer commits a violation or violations during three instances within a 60-month period.</u>
- d. Waiver or reduction of fines and penalties for first violation. The Department may, in its sole discretion, waive or reduce any fines and penalties for a Retailer's first violation of this section if the Retailer admits the violation in writing and agrees to forego a hearing on the allegations. Regardless of the Department's waiver of penalties for a first violation, the violation will be considered in determining the fines and suspension periods or revocation for any future violation. This subsection shall not apply to any violation involving a law regulating youth access to Tobacco Products.

- e. <u>Corrections period</u>. The Department shall have discretion to allow a Retailer a period of time to correct any violation of any requirement, condition, or prohibition of this Chapter, other than a violation of a law regulating youth access to Tobacco Products. If the Department exercises its discretion to provide a corrections period, and a Retailer's violation is corrected within the time allowed for correction, no penalty shall be imposed under this section.
- <u>f.</u> <u>Written notice of penalties</u>. Whenever a fine is issued and/or a Permit is suspended or revoked based on a violation of this Chapter, the Department shall provide the Retailer written notice of the violation and the fine and suspension or revocation, including when the suspension or revocation shall take effect.
- g. <u>Appeals</u>. Any penalties imposed under this section may be appealed pursuant to Section <u>48.3.25 of this Chapter</u>.
- h. A timely appeal shall stay enforcement of the appealed penalties until the final administrative decision of the County is issued.

SEC. 48.3.20. Penalties for Retailing without a Permit.

- a. <u>Administrative fine</u>. In addition to any other penalty authorized by law, Retailer shall pay a fine if the Department demonstrates that the Retailer has engaged in Retailing at a location without a valid Permit, either directly or through the Retailer's agents or employees. The amount of the administrative fine for each violation of this Chapter shall be as follows:
 - 1. A fine not to exceed \$2,500 for each violation identified during the first instance in which the Retailer has committed a violation or violations without a valid permit;
 - 2. A fine not to exceed \$5,000 for each violation identified during a subsequent instance if the Retailer has committed a previous violation or violations within a 60-month period without a valid permit; and
 - 3. A fine not to exceed \$10,000 for each violation identified during a subsequent instance after the Retailer twice committed a previous violation or violations within a 60-month period without a valid permit.
- b. <u>Time period for Permit ineligibility</u>. The ineligibility period shall be as follows:
 - 1. For an initial violation of this Chapter without a valid permit, no new Permit may be issued to the Retailer or the location (unless Ownership of the business at the location has been transferred in an Arm's Length Transaction) until 30 calendar days have passed from the date of the violation.

- 2. If a Retailer commits a violation or violations during two instances within a 60- month period without a valid permit, no new Permit may be issued to the Retailer or the location (unless Ownership of the business at the location has been transferred in an Arms Length Transaction) until one year has passed from the date of the second violation.
- 3. If a Retailer commits a violation or violations during three instances within a 60month period without a valid permit, the Retailer and the location (unless Ownership of the business at the location has been transferred in an Arm's Length Transaction) shall be permanently ineligible for a permit.
- c. Waiver or reduction of fines and penalties for first violation. The Department may, in its sole discretion, waive or reduce any fines and penalties for a Retailer's first violation of this section if the Retailer admits the violation in writing and agrees to forego a hearing on the allegations. Regardless of the Department's waiver of penalties for a first violation, the violation will be considered in determining the fines and suspension periods or revocation for any future violation. This subsection shall not apply to any violation involving a law regulating youth access to Tobacco Products.
- d. <u>Written notice of penalties</u>. Whenever a fine is issued and/or a Permit is suspended pursuant to this section, the Department shall provide the Retailer written notice of the fine and suspension, including when the suspension shall take effect.
- e. <u>Appeals</u>. Any penalties imposed under this section may be appealed pursuant to Section 48.3.25 of this Chapter. A timely appeal shall stay enforcement of the appealed penalties until the final administrative decision of the County is issued.

SEC. 48.3.25. Appeals.

- a. Any Retailer served with a written notice of violation may request an administrative hearing to appeal the existence of the violation, the amount of the fine, the length of a suspension, a revocation of a Permit, the sustained impoundment of Tobacco Products, and/or seizure of Tobacco Products by returning a completed hearing request form to the Office of the County Hearing Officer within ten days from the date of the written notice of penalties.
- b. The Retailer shall include the following in or with the hearing request form:
 - <u>1.</u> <u>A statement indicating the reason the Retailer contests the written notice of penalties;</u>
 - 2. Any evidence the Retailer wants the Hearing Officer to consider;

- 3. An advance deposit of the amount of any fine challenged; and
- 4. The address of the Retailer and, if available, an email address that can be used for contact and correspondence by the Office of the County Hearing Officer and the Department. The Retailer may request service of notice by mail.
- c. The hearing request form shall be deemed filed on the date received by the Office of the County Hearing Officer. A timely appeal shall stay enforcement of the appealed penalties while the appeal is ongoing.
- d. After receiving a timely hearing request form, the Office of the County Hearing Officer shall notify the Department as soon as practicable and then shall schedule an administrative hearing. The Office of the County Hearing Officer shall provide the Retailer and the Department at least ten calendar days' written notice of the date, time, and place of the administrative hearing and the name of the Hearing Officer who will conduct the hearing. The notice shall be given to the Retailer either by email, if requested, or by first class mail, postage prepaid.
- e. Between the time the Retailer requests the administrative hearing and the time of the Hearing Officer's decision, the Retailer, the Department, and each of their representatives shall not engage in ex parte communications with the Office of the County Hearing Officer or the Hearing Officer regarding the matters at issue in the hearing.
- f. The hearing shall be conducted by the Hearing Officer on the date, time, and place specified in the notice to the Retailer. A Retailer's failure to appear at the hearing shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies as a precedent to judicially challenge the existence of the violation and the imposition of the fine and suspension.
- g. At the hearing, the Retailer and the Department shall have the opportunity to present evidence, including witnesses, relevant to the Hearing Officer's determination of the matter. Neither the provisions of the Administrative Procedure Act (Government Code Section 11500 et seq.) nor the formal rules of evidence in civil or criminal judicial proceedings shall apply to such hearing. The Hearing Officer may admit any evidence, including witnesses, relevant to the determination of the matter, except as otherwise provided in section 48.3.30(c).
- h. The written notice of penalties and any other reports prepared by or for the Department concerning the violation shall be admissible and accepted by the Hearing Officer as prima facie evidence of the violation and the facts stated in those documents.
- i. <u>The Hearing Officer may continue the hearing from time to time, in his or her sole</u> <u>discretion, to allow for its orderly completion. After receiving the evidence submitted at</u>

the hearing, the Hearing Officer may further continue the hearing and request additional information from either the Department or the Retailer.

- <u>j.</u> After considering the evidence and testimony submitted the Hearing Officer shall issue a written decision regarding the matters properly raised in the request for administrative hearing. The Hearing Officer's decision shall:
 - <u>1.</u> <u>Be based on a preponderance of the evidence.</u>
 - 2. Include a statement of the reasons for the decision.
 - 3. Be issued within 20 calendar days of the close of the hearing.
 - 4. <u>Be served on both the Retailer and the Department. The decision shall be given to the</u> <u>Retailer either by email, if requested, or by first class mail, postage prepaid.</u>
- <u>k.</u> <u>Based on the Hearing Officer's decision, the Office of the County Hearing Officer shall</u> <u>promptly refund to the Retailer any amount of the advance fine deposit the Department</u> <u>is not entitled to and shall provide the remainder to the Department.</u>
- <u>I.</u> <u>The Hearing Officer's written decision shall constitute the final administrative decision of the County.</u>

SEC. 48.3.30. Enforcement.

- a. Any violation of this Chapter is hereby declared to be a public nuisance.
- b. <u>Causing, permitting, aiding, abetting, or concealing a violation of any provision of this</u> <u>Chapter shall also constitute a violation of this Chapter.</u>
- c. Whenever evidence of a violation of this Chapter is obtained in any part through the participation of an individual under the age of 21 years old, such an individual shall not be required over his or her objection to appear or give testimony in any civil or administrative process brought to enforce this Chapter and the alleged violation shall be adjudicated based upon the sufficiency and persuasiveness of the evidence presented.
- d. Violations of this Chapter may be remedied by a legal action brought by the County pursuant to Division A1 of the County of Santa Clara Ordinance Code or any other federal, state or local law. For the purposes of the civil remedies provided in this Chapter, each day on which a product is offered for Sale in violation of this Chapter, and each individual retail product that is Sold or Distributed in violation of this Chapter, shall constitute a separate violation of this Chapter.

e. Impoundment.

- 1. Based upon inspection findings or other evidence, the Department may impound Tobacco Products that are suspected of being or found to be offered for Sale or Distribution in violation of this Chapter. The Department may affix a label to the product that shall be removed only by the Department following final written determination by the Department as described below.
- 2. No impounded Tobacco Products shall be used, removed, disposed, or offered for sale unless the impoundment has been released. The decision by the Department may be appealed pursuant to the procedures set forth in Section 48.3.25.
- 3. Within 30 days of final determination whether impounded products are authorized for Sale under this Chapter, the Department shall release the impounded materials or order that unauthorized, impounded product shall be destroyed and properly disposed of at the cost of the Retailer.
- f. Seizure. Tobacco Products offered for Sale in violation of this Chapter are subject to seizure by the Department and shall be forfeited after the Retailer of the Tobacco Products seized is given reasonable notice and an opportunity to demonstrate that the Tobacco Products were not offered for Sale in violation of this Chapter. The decision by the Department may be appealed pursuant to the procedures set forth in Section 48.3.25. Forfeited Tobacco Products shall be destroyed and properly disposed of at the cost of the Retailer after all internal appeals have been exhausted and after the time in which to seek judicial review pursuant to Section 48.3.25 of this Chapter has expired.
- g. <u>All Retailers are responsible for the actions of their employees relating to compliance with</u> <u>this Chapter. The Sale, offer to Sell, or furnishing of any Tobacco Products by an employee</u> <u>shall be considered an act of the Retailer.</u>
- h. The remedies provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.

SEC. 48.3.35. Interpretation.

- a. Nothing in this Chapter shall be interpreted or applied so as to create any requirement, power, or duty that is preempted by, or in conflict with, federal or state law, rules, or regulations.
- b. Nothing in this Chapter shall be construed to penalize the purchase, use, or possession of a Tobacco Product by any Person not engaged in the retailing of such products.

ARTICLE IV – MISCELLANEOUS

SEC. 48.4.5. Existing Retailer Compliance Date.

- a. Any Retailer who is engaged in the business of Selling or Distributing Flavored Tobacco Products prohibited by section 48.2.5(i) or Electronic Cigarette Products prohibited by section 48.2.5(l) on the effective date of this Chapter shall cease the Sale and Distribution of said products within six (6) months after the effective date of this Chapter.
- b. Any Retailer who is engaged in the business of Selling or Distributing Tobacco Products that are not prohibited by this Chapter shall come into compliance with all provisions of this Chapter including, but not limited to, the permit requirement set forth in section 48.2.5, within 90 days after the effective date of this Chapter.

SEC. 48.4.10. Permits Nontransferable.

- a. <u>A Permit issued pursuant to this Chapter may not be transferred from one Retailer to</u> another or from one location to another. Whenever a new Person obtains Ownership in a business for which a Permit has been issued, a new Permit shall be required.
- b. Notwithstanding any other provision of this Chapter, prior violations of this Chapter at a location shall continue to apply to a location and Permit ineligibility and suspension periods shall continue to apply to a location unless:
 - 1. One hundred percent of the interest in the stock, assets, or income of the business, other than a security interest for the repayment of debt, has been transferred to one or more new owners; and
 - 2. <u>The Department is provided with clear and convincing evidence, including an affidavit,</u> <u>that the business has been acquired in an Arm's Length Transaction.</u>

SEC. 48.4.15. Limited and Conditional Privilege.

Nothing in this Chapter shall be construed to grant any person obtaining and maintaining a Permit any status or right other than the limited, conditional privilege to act as a Retailer at the location identified on the face of the Permit. All Permits are issued subject to the City of Mountain View's right to amend this Chapter, and Retailers shall comply with all provisions of this Chapter, as amended.

SECTION 4. CEQA. Pursuant to California Code of Regulations section 15060(c)(2), these code amendments are not subject to the California Environmental Quality Act ("CEQA") because

they will not result in a direct or a reasonably foreseeable indirect physical change in the environment.

SECTION 5. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the other remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional.

SECTION 6. Publication. Pursuant to Mountain View City Charter section 522, at least two (2) days prior to final adoption of this ordinance, the City Clerk shall post the ordinance in three (3) prominent places in the City and publish in the City's official newspaper notice setting forth the title of the ordinance, the date of its introduction, and a list of the places where copies of the ordinance are posted.

SECTION 7. Effective Date. Pursuant to Mountain View City Charter section 519, this ordinance shall become effective thirty (30) days after the date of its adoption.
