



# County of Monterey

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

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**File #:** RES 12-0043, **Version:** 1

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Adopt Resolution to:

Amend Article I.E. of the Monterey County Master Fee Resolution effective July 1, 2012, to adjust fees relating to oversight and services provided by the Health Department's Environmental Health Bureau and the Health Department's Tobacco Control Program.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Amend Article I.E. of the Monterey County Master Fee Resolution effective July 1, 2012, to adjust fees relating to oversight and services provided by the Health Department's Environmental Health Bureau and the Health Department's Tobacco Control Program.

### SUMMARY:

Environmental Health is proposing an amendment to Article I.E. of the Master Fee Resolution (Attachments A and B) to add a Tobacco Retailer License Fee (Article I.E., Section 1.D.) that reflects the cost of oversight and services provided by the Health Department's Environmental Health Bureau, the Health Department's Tobacco Control Program and the Monterey County Sheriff's Office in exercise of the responsibilities defined in the Tobacco Retailer License Ordinance approved by the Board May 15, 2012. The new fee reflects time analyses for the tasks to be performed and is designed to recapture the reasonable costs associated with the newly required services, without exceeding the actual costs of those services and the benefits received by the recipient.

### DISCUSSION:

The Tobacco Retailer License Ordinance was approved by the Board May 15, 2012. Time analyses of new inspection and service activities required by the Ordinance have shown that the costs of providing the new inspection and service activities significantly exceeds the costs that can be recaptured by existing fee categories. Staff has carefully analyzed the time expected to be spent at the new tasks based on existing records of similar tasks. The results show the new fee (Article I.E., Section 1.D.) will recover close to, while not exceeding, 100% of the associated costs of the regulatory service for which the fee is generated. The proposed fee is only to help recapture costs associated with the specifically related regulatory service for which the fee is imposed, not to supplement the County costs of any non-fee generating services or activities.

If approved, the new Tobacco Retailer License Fee will apply effective July 1, 2012, to retail businesses that sell tobacco products in unincorporated Monterey County. A copy of the proposed fee adjustments is on file with the Clerk to the Board.

Proceeds of each fee paid pursuant to the requested Tobacco Retailer License Fee would originate with Environmental Health and be distributed to Public Health and the Sheriff's Office as shown on Attachment C.

### OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed, and approved as to legal form, the proposed resolution and amendment to the Monterey County Master Fee Resolution, Article I.E.

**FINANCING:**

The recommended fee is intended to recapture the costs associated with the provision of the regulatory services and inspections, and does not exceed actual costs for providing these services. (Attachment D) As such, the fee is not a 'tax' as defined by California Constitution Article XIII C Section 1(e)(3), as it represents a charge imposed upon the recipient of a service of benefit for a specific regulatory service provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable and actual costs to the County for providing the regulatory service. The proposed fee recaptures the regulatory services costs, without generating additional revenue, to assure that the programs remain revenue neutral with no additional impact on the County's General Fund Contribution to the Department.

Appropriations for FY2012-13 are sufficient for the revenue and expenditures anticipated due to the Tobacco Retailer License Fee for Environmental Health (001-4000-HEA005), Public Health (001-4000-HEA003) and the Sheriff's Office (001-2300-SHE001-8273).

Prepared by: Cindy Reagan, Finance Manager, 4548

Approved by: Ray Bullick, Director of Health, 4526

**Attachments:**

Attachment A - Article I.E. Fee Schedule [clean] on file with the Clerk to the Board

Attachment B - Article I.E. Fee Schedule [strike through] on file with the Clerk to the Board

Attachment C - Fee Distribution on file with the Clerk of the Board

Attachment D - Cost Analysis on file with the Clerk of the Board

Attachment F - Board Resolution on file with the Clerk of the Board