



# Agenda Item

## Orange City Council

Item #: 11.1.

5/26/2026

File #: 26-0256

**TO:** Honorable Mayor and Members of the City Council

**THRU:** Jarad Hildenbrand, City Manager

**FROM:** Russell Bunim, Community Development Director

### 1. SUBJECT

Introduction and First Reading of Ordinance No. 05-26 amending the Orange Municipal Code relating to the Tobacco Retailer Permit program regulations

### 2. SUMMARY

An Ordinance amending Chapter 5.100 of the Orange Municipal Code (Tobacco Retailers) to update and clarify the requirements and regulations for tobacco retailers.

### 3. RECOMMENDED ACTION

Introduce and conduct First Reading of Ordinance No. 05-26. An ordinance of the City Council of the City of Orange amending Chapter 5.100 of the Orange Municipal Code to eliminate certain restrictions on the retail sale of tobacco and tobacco products and provide clarification on the transferability of Tobacco Retailer Permits.

### 4. FISCAL IMPACT

None.

### 5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Safety Services

### 6. DISCUSSION AND BACKGROUND

On June 24, 2025, the City Council adopted Ordinance No. 12-25 establishing the Tobacco Retailer Permit Program and related regulations. At the City Council meeting on April 28, 2026, during the public comment period, a local business owner and several state retail advocates expressed concerns regarding two regulations scheduled to take effect on July 1, 2026, as part of Ordinance implementation, as well as the non-transferability of Tobacco Retailer Permits. Specifically, concerns were raised about (1) restrictions on tobacco sales between 2:00 a.m. and 6:00 a.m., (2) the prohibition on the sale of electronic smoking devices and related accessories, and (3) the inability to transfer an existing Tobacco Retailer Permit upon sale of a business. The City Council unanimously directed staff to return with proposed code amendments to address these issues.

In response, staff recommend amending the Orange Municipal Code (OMC) by removing Sections 5.100.060.C.6 and 5.100.060.H.3, which were set to take effect on July 1, 2026, to regulate:

- The sale of electronic smoking devices and related paraphernalia and accessories; and
- Tobacco retail sales between the hours of 2:00 a.m. and 6:00 a.m.

Additionally, staff proposes revisions to Section 5.100.040.E of the OMC to clarify the transferability requirements for Tobacco Retailer Permits. Under the proposed amendment, an existing business holding a valid Tobacco Retailer Permit may transfer the permit to a new business owner, including transfers occurring through an arm's length transaction between relatives, related entities, or business partners, subject to submission of a transfer application and compliance with all applicable permitting requirements.

To support local tobacco retailers while maintaining regulatory oversight, staff recommends that the City Council approve the proposed amendments to the Tobacco Retailer Permit Program.

## **7. ATTACHMENTS**

- Ordinance No. 05-26
- Ordinance No. 05-26 - Redline