



MEMORANDUM

P.O. BOX 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL

FROM: LINSEY JOYCE, RECREATION & EVENTS DIRECTOR
STACEY NELL, TOWN CLERK

RE: SECOND READING Ordinance 25-07: AN ORDINANCE AMENDING ARTICLE VI OF CHAPTER 110 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, CONCERNING TOBACCO PRODUCT RETAILER LICENSING AND SALE REGULATIONS, TO PROHIBIT THE SALE OF FLAVORED TOBACCO PRODUCTS AND THE SALE BY DISCOUNTING OF ANY TOBACCO PRODUCTS IN ORDER TO SAFEGUARD THE PUBLIC HEALTH, PARTICULARLY THE HEALTH OF MINORS

DATE: May 13, 2025

Summary and Background: For background purposes, please note that State Legislature passed HB19-1033 in March of 2019, which allowed counties and municipalities in Colorado to implement licensing and taxes on nicotine products. The bill also authorized counties and municipalities to enact a resolution or ordinance that prohibited a minor from possessing or purchasing nicotine products and allowed counties and municipalities to impose regulations on nicotine products that are more stringent than state regulations.

Measure 1A was passed by the voters in the Countywide Coordinated Election held in November 2019, resulting in Frisco's adopted Ordinance 19-15 establishing a Tobacco Retailer Licensing process in the Town of Frisco, moving the minimum age for purchase of tobacco products to 21 years starting January 1, 2020. To sell tobacco or tobacco-related products applicable under Ordinance 19-15, businesses located within the Town limits of Frisco must maintain the current Town Tobacco Retail Products License, administered by the Town Clerk. Measure 1A also approved a Countywide sales tax on qualifying products, remitted by retailers to the County, then distributed to the Town's Finance Department.

In October 2020, the Nicotine Tax Fund was established, for the purpose of collecting revenues

from the sale of cigarettes, tobacco products and nicotine products to be used solely for the protection and improvement of public health and welfare. Measure 1A authorized a special countywide sales tax of four dollars per pack of twenty cigarettes sold (or twenty cents per cigarette) and a forty percent special sales tax rate, plus a graduated increase of 10% each year for four years.

During the November 11, 2024, Town Council Work Session, Becky Peltier, Health Promotion and Prevention Specialist for Summit County Youth & Family Services, presented an update to Council on the Countywide Nicotine Tax including statistics and program outcomes. A group of local high school students also presented their experiences with nicotine/tobacco products, requesting that the Town adopt a ban on flavored nicotine/tobacco products.

Per Council's direction, staff are presenting a revised Retail Tobacco Business Licensing ordinance for Council's review and discussion. Proposed revisions include:

- Prohibit the sale of flavored nicotine/tobacco products
- Prohibit discounts on the sale of nicotine/tobacco products

Analysis: Tracy Doyle at the Colorado School of Public Health recently presented to local governments in Summit County. This presentation highlighted that the prohibition of the sale of flavored tobacco and nicotine products was identified as a key strategy in reducing tobacco use. Prohibiting tobacco/nicotine price discounting was also a recommendation to reduce tobacco use. Ms. Doyle shared the following information, expressing the need for local action due to several loopholes at the federal level:

Goals of Flavor Policies: Eliminating the sale of flavored tobacco is a key strategy in reducing tobacco use and tobacco-related health disparities.

- Prevent youth from ever starting
 - Make tobacco products less attractive to youth.
 - Make it harder to access flavored tobacco products.
- Help those who want to quit
 - Eliminating flavored tobacco will help people who currently use tobacco quit.
- Reduce smoking related health disparities faced by communities of color, LGBTQ, and other marginalized communities.

Flavored Tobacco & Youth Use (source: U.S. Dept of Health and Human Services):

- Flavors mask the harshness of tobacco making it easier to get addicted and harder to quit.
- 81% of youth who have ever used tobacco products started with a flavored product
- 83.2% of youth (ages 12-17) who have ever used e-cigarettes reported their first product was flavored

Prohibit Tobacco/Nicotine price discounting

- Youth are very price sensitive.
- Deals are hard to resist for those trying to quit.
- Price discounts are among the largest of the tobacco industry's marketing

expenditures. Examples include coupons, buy one, get one, and multi-pack deals.

The goal is to make this ban a Countywide ban. All Home Rule Towns in Summit County have, or are in process of adopting similar bans:

- Blue River: Statutory Town
- Breckenridge: April 8 – Adopted
- Dillon: March 25 – Adopted
- Silverthorne: April 23 – Second Reading of Ordinance scheduled
- Summit County: Statutory County

There are currently 10 licensed retailers in the Town of Frisco that will be directly impacted by this Ordinance:

- Basecamp Wine and Spirits
- 7-Eleven Store #17284L
- Antlers Liquor and Wine Cellar
- Circle K #2740633
- Maverik #5318
- Loaf n' Jug #48
- Safeway Store #836
- Frisco Conoco
- Smok N' Bra
- Frisco Liquors

Financial Impact: The Nicotine Tax Fund was established October 13, 2020, for the purpose of collecting revenues from the sale of cigarettes, tobacco products and nicotine products to be used solely for the protection and improvement of public health and welfare.

If passed, the Town anticipates a reduction in sales of nicotine products, resulting in a reduction of sales tax. This will ultimately result in a reduction in the Nicotine Tax Fund.

Alignment with Strategic Plan: The Town's vision is *to be a welcoming mountain town that connects people with nature and supports opportunities for community wellbeing*. Reducing youth access to nicotine products supports this vision of community wellbeing.

Staff Recommendation: Staff recommends Council review and pass on Second Reading Ordinance 25-07 prohibiting the sale of flavored nicotine/tobacco products and prohibiting discounts on the sale of nicotine/tobacco products.

Reviews and Approvals: This report has been reviewed and approved by:

- Tom Fisher, Town Manager
- Diane McBride, Assistant Town Manager
- Stacey Nell, Town Clerk

Attachments:

- Attachment 1 - Ordinance 25-07: AN ORDINANCE AMENDING ARTICLE VI OF CHAPTER 110 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, CONCERNING TOBACCO PRODUCT RETAILER LICENSING AND SALE REGULATIONS, TO PROHIBIT THE SALE OF FLAVORED TOBACCO PRODUCTS AND THE SALE BY DISCOUNTING OF ANY TOBACCO PRODUCTS IN ORDER TO SAFEGUARD THE PUBLIC HEALTH, PARTICULARLY THE HEALTH OF MINORS.