SENATE COMMITTEE ON
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT
Senator Angelique Ashby, Chair
2025 - 2026 Regular

Bill No:	AB 957	**Hearing Date:**	June 30, 2025
Author:	Ortega		
Version:	April 28, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Sarah Mason		

Subject: Cigarette and tobacco products: retail sale: pharmacies

SUMMARY: Prohibits a pharmacy from selling cigarettes or tobacco products.

NOTE: This bill is double-referred to the Senate Committee on Revenue and Taxation, second.

Existing law:

1) Establishes the California State Board of Pharmacy (Board) to administer and enforce the Pharmacy Law. (BPC § 4001)

2) Defines "pharmacy" as an area, place, or premises licensed by the Board in which the profession of pharmacy is practiced and where prescriptions are compounded. (BPC § 4037)

3) Authorizes a pharmacist to furnish nicotine replacement products for use by prescription only in accordance with standardized procedures and protocols developed and approved by both the BOP and the Medical Board of California in consultation with other appropriate entities and provide smoking cessation services, under certain conditions. (BPC § 4052.9)

4) Prohibits a person from conducting a pharmacy in the state unless they are licensed by the Board, and requires a separate license for each of the premises of any person operating a pharmacy in more than one location. (BPC § 4110)

5) Requires the Board to take action against any licensee who is guilty of specified unprofessional conduct activity. (BPC § 4301)

6) Enacts the Cigarette and Tobacco Products Licensing Act (AB 71, Horton, Chapter 890, Statutes of 2003), which required the Board of Equalization (BOE) to license manufacturers, distributors, wholesalers, importers, and retailers of cigarette or tobacco products who are engaged in business in California. (BPC §§ 22970 *et seq.*)

7) Requires a retailer to obtain a license from the California Department of Tax and Fee Administration (CDTFA) to engage in the sale of cigarettes or tobacco products and specifies causes for denial of a license, including the conviction of specified felonies. (BPC § 22973.1)

8) Establishes the Stop Tobacco Access to Kids Enforcement Act (STAKE Act) administered by the California Department of Public Health (CDPH) to reduce the availability of tobacco to those under the age of 21. Allows under the STAKE Act, an enforcing agency, which includes CDPH, the Attorney General, and local law enforcement agencies, to assess civil penalties against any person, firm, or corporation that sells, gives, or in any way furnishes a tobacco product to another person who is under 21 years of age. (BPC §22950 *et seq.*)

9) Defines "Tobacco retailer" as a person who engages in the sale of tobacco products directly to the public from a retail location. A Tobacco retailer includes a person who operates vending machines from which tobacco products are sold in this state. (Health and Safety Code (HSC) § 104559.5)

10) Prohibits a tobacco retailer, or any of the tobacco retailer's agents or employees, from selling, offering for sale, or possessing with the intent to sell or offer for sale, a "flavored tobacco product," as defined, or a "tobacco product flavor enhancer," as defined. (HSC §104559.5)

This bill:

1) Prohibits a pharmacy from selling cigarettes or tobacco products, as specified.

2) Prohibits CDTFA from issuing a license to a retailer to engage in the sale of cigarettes or tobacco products if the retailer is a licensed pharmacy.

FISCAL EFFECT: This bill is keyed fiscal by Legislative Counsel. According to the Assembly Committee on Appropriations, CDTFA anticipates substantial one-time costs, between $250,001 and $1 million, for computer programming and outreach related to the retailer license application checks. In addition, CDTFA estimates the loss of an estimated 1,098 retail license renewals, resulting in a $290,970 licensing fee revenue loss if no new licenses are established and the license fee does not change. Additionally, CDTFA estimates the proposed legislation could reduce ongoing cigarette and tobacco products tax revenue by $3.04 million due to tobacco products purchasers seeking to purchase cigarette and tobacco products from non-compliant retailers or from the illicit market in some areas where they have no other alternative.

COMMENTS:

1. **Purpose.** This bill is sponsored by the American Lung Society; American Cancer Society, Cancer Action Network; Campaign for Tobacco-Free Kids and; American Heart Association. According to the Author, "California has made so much progress in the fight to prevent needless deaths caused by tobacco, and AB 957 is the next step. As a state we've removed smoking rooms from restaurants, increased age requirements, banned flavored tobacco products, and more. But still, every year, 40,000 Californians will die because of smoking and tobacco consumption and $13.29 billion dollars will be spent on smoking-related health care costs. We need to do more…

AB 957 will end the sale of tobacco products in pharmacies. Pharmacies are different from other retailers. Patients trust pharmacies to promote health and prevent harm. Selling a product like tobacco which is known to cause serious illnesses contradicts pharmacists' oath to 'do no harm.' A 2023 survey showed 67.8% of Californians agreed that pharmacies and drug stores should not sell tobacco products. Banning tobacco sales in pharmacies would help realign these establishments with their core health-promoting values, reinforcing a commitment to public health."

The Author states that "Although the number of Californians who reportedly smoke has decreased to 8.5%, the negative effects of tobacco use are still widespread today. Tobacco use is still the leading preventable cause of death in the United States. 40,000 California adults die each year because of smoking and tobacco consumption, with 22% of cancer deaths being attributable to smoking. Due to these negative health effects, smoking costs California's health care system $15.44 billion per year and causes a total of $28.1 billion per year in productivity losses. Additionally, smoking causes $3.85 billion every year in direct costs to Medi-Cal. The continued prevalence of such a preventable cause of death has caused academic medical professionals, including 98.5% of pharmacist school faculty, to include training on tobacco cessation into school curricula. Pharmacies are trusted institutions dedicated to promoting health and preventing harm, yet selling tobacco—a product known for causing serious illnesses—directly contradicts this mission. Allowing tobacco sales directly undermines the ethical principle of "do no harm" and erodes public trust...

Point-of-sale cigarette marketing can act as a psychological cue to smoke and promote cravings to smoke, urges buy cigarettes, and impulse or unplanned purchases of cigarettes. In an experimental study of 1216 current smokers and recent quitters, researchers reported that exposure to an enclosed (invisible) display compared to an open display of cigarette packs in a virtual store resulted in a lower level of self-rated craving. Observational studies also indicate an association between exposure to pack displays and cravings to smoke. In a qualitative study, researchers conducted semi-structured in depth interviews with 20 participants who had attempted to quit smoking in the previous six months . Many participants indicated that seeing cigarette displays reminded them of smoking and promoted not only cravings but also impulse purchases of cigarettes. Similarly, in a cross-sectional study of 526 current smokers, researchers found that the frequency of noticing cigarette displays was positively related to the probability of getting an urge to buy cigarettes and making an impulse purchase of cigarettes . Similar findings were reported by researchers who conducted intercept interviews with 206 smokers who were observed purchasing cigarettes from retail outlets and found that POS displays were associated with four times as many unplanned purchases as planned purchases . About 22% of the participants in that study reported that they did not plan to purchase cigarettes before entering the store and 20 % indicated that cigarette pack displays encouraged them to purchase cigarettes in that instance. Finally, two other observational studies using the same sample of 999 smokers reported that POS displays and advertisements were associated with more frequent cravings to smoke and that POS marketing was associated with more frequent urges to buy and impulse purchases of cigarettes Continuing to have tobacco

visibly available to consumers makes it more likely that they will purchase it and worsen public health…

Research has consistently shown that residential and school proximity to a high density of tobacco retailers results in higher tobacco consumption. For example, one literature review examined 40 research articled and found that "Higher density values were mostly associated with higher smoking prevalence (76.2%), greater tobacco use and smoking initiation (64.3%), and lower cessation outcomes (84.6%)." Another 2021 literature review found that "lower levels of tobacco retailer density and decreased proximity are associated with lower tobacco use". Another study found that in residential neighborhoods with a higher density of tobacco retailers, 18–24-year-olds were almost 3.75 times (375%) more likely to initiate vaping, and 25-34-year-olds were 18% more likely to initiate smoking. Recognizing this phenomenon, some jurisdictions have utilized licensing and zoning to address this issue. This includes restricting the sale of tobacco in certain types of retailers, restricting the sale of tobacco products near schools and youth-sensitive areas, capping the number of retailers in a geographic areas, capping the number of retailers relative to population size, and requiring a minimum distance between tobacco retailers. The existing local and statewide bans have had noticeable impacts on both the availability of tobacco and the likelihood of tobacco users attempting cessation. After CVS made the decision to stop selling tobacco, counties with multiple CVS locations saw increased quit attempts in the population.

Allowing cigarettes to be sold in pharmacies is akin to the outdated practice of cigarettes being sold in hospitals. Ending the sale of tobacco products in pharmacies would help realign these establishments with their core health-promoting values, reinforcing a commitment to public health."

2. **Background.**

Board of Pharmacy. The Board licenses and regulates the pharmacy profession and enforces the Pharmacy Law. It oversees 32 licensing programs, including pharmacies as well as a number of specialized pharmacy types. The Board notes in its 2024 sunset review oversight report that its licensees are integral to the delivery of quality health care. They compound, transport, dispense, and store prescription drugs and devices for patients that are essential for patient care and treatment. Pharmacists, as the health care provider, are the most educated on pharmaceutical care and management, convey critical information about drug therapy management to their patients and patients' representatives, as well as to other health care providers. In addition, the pharmacist's scope of practice continues to evolve to assume a more active role consistent with their significant education (at least eight years post high school) and the fact that they are readily accessible to consumers. According to the 2024 sunset review oversight report, the Board's licensing population includes 6,072 pharmacies.

The Board's inspectors conduct investigations and inspections of pharmacies to carry out Board policy to inspect all pharmacies at least once every four years. A total of 2,969 inspections were completed during Fiscal Year 2023-24. As of July 1, 2024, 80 percent of all licensed pharmacies received a routine inspection within the last four years. While each individual pharmacy location maintains its own separate

license, the BOP was recently given authority to bring an action for fines for repeated violations of materially similar provisions of the Pharmacy Law within five years by three or more pharmacies operating under common ownership or management within a chain community pharmacy. For each third and following violation, an administrative fine may be imposed of up to $100,000 per violation. Additionally, the BOP may bring an action against a chain community pharmacy operating under common ownership or management for fines not to exceed $150,000 for any violation of the Pharmacy Law demonstrated to be the result of a written policy or which was expressly encouraged by the common owner or manager.

Pharmacy Climate. Pharmacies throughout the state and nation are struggling to remain economically viable. A study by researchers at UC Berkeley School of Public Health and USC published in the journal *Health Affairs* in December 2024 found that about 1 in 3 U.S. retail pharmacies have closed since 2010, with the vast majority of states experiencing an overall decline in drugstores in recent years. Data from the National Council for Prescription Drug Programs' dataQ database was linked to county- and neighborhood-level data from the U.S. Census Bureau and the National Center for Health Statistics to identify all licensed chain and independent pharmacies during the period from 2014–23 to determine when each pharmacy newly opened or permanently closed. Of the 85,359 pharmacies in operation at any point during 2014–22, 28.1 percent had closed by 2023. According to the report, between 2018 and 2021, the number of pharmacies declined in 41 states and during the entire study period, nearly one-third of counties experienced a net decline in pharmacies, affecting 91.6 million people. In seven states, more than half of counties experienced a net decline in pharmacies (Illinois, Maine, Mississippi, New York, Pennsylvania, Rhode Island, and Vermont). At the community level, pharmacy closure rates were higher in predominately Black and Latinx neighborhoods—37.5% and 35.6%, respectively—than predominately white ones (27.7%). According to the study, independent pharmacies were more than twice as likely to close as chain stores. The study notes these were also much more likely to be in Black, Latinx, and low-income neighborhoods, as well as those with disproportionate rates of people with Medicare or Medicaid coverage. Researchers cited independent pharmacies exclusion from preferred pharmacy networks as a contributing factor, nothing that pharmacy benefit managers (PBMs) use preferred pharmacy networks to encourage patients to visit certain locations by offering lower cost-sharing or out-of-pocket costs. They also noted that recent mergers of large pharmacy chains and PBMs also likely contributed to low reimbursements from PBMs at these combined companies to independent pharmacies and rival chain pharmacies.

Restricting Sales. In 2008, San Francisco became the first city in the nation to prohibit the sale of cigarettes and tobacco products at pharmacies, with the ban extending to larger grocery and big-box stores in 2010. Over 40 cities and counties in California have passed ordinances to do the same. In 2018, Massachusetts became the first state to enact a ban on the sale of cigarettes and tobacco products at pharmacies and other health care settings, followed by New York in 2020.

In 2014, CVS stopped selling cigarettes and tobacco products in stores

3. **Arguments in Support.** Supporters echo the Author's statement and purpose above, noting that pharmacies are trusted institutions dedicated to promoting wellness and preventing harm, yet selling tobacco—a product known for causing serious illnesses—directly contradicts this mission. Tobacco sales in pharmacies directly undermine the ethical principle of "do no harm" and erode public trust. The success of tobacco-free pharmacy policies has already been demonstrated across 256 municipalities and two states. After CVS voluntarily stopped selling tobacco products in 2014, studies documented decreased cigarette pack sales and increased nicotine patch purchases in states where the chain had a significant presence – clear evidence that such policies can positively impact public health outcomes."

   The Board of Pharmacy cites a policy statement adopted in October 2024 in support: "The California State Board of Pharmacy recognizes that pharmacists are health care providers and pharmacies are in the business of improving customer health; therefore, the board recommends that pharmacies and chain stores that include pharmacies eliminate the sale of tobacco, e-cigarettes and tobacco products, as these products are known to cause cancer, heart disease, lung disease and other health problems."

SUPPORT AND OPPOSITION:

Support:

Alameda County Tobacco Control Coalition
American Academy of Pediatrics, California
American Lung Association in California
Breathe California
California Academy of Preventive Medicine
California Medical Association (CMA)
California Orthopedic Association
California Pharmacists Association
California State Board of Pharmacy
Center for Environmental Health
County Health Executives Association of California (CHEAC)
County of Santa Clara
San Francisco Tobacco Free Coalition
San Francisco Tobacco-free Coalition
Solano County Democratic Central Committee
Tobacco Education and Research Oversight Committee

Opposition:

None received

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