

THIRD READING

Bill No: SB 1124
Author: Archuleta (D), et al.
Amended: 4/27/26
Vote: 21

SENATE HEALTH COMMITTEE: 9-0, 4/22/26

AYES: Weber Pierson, Caballero, Durazo, Gonzalez, Menjivar, Padilla, Pérez,
Rubio, Smallwood-Cuevas

NO VOTE RECORDED: Valladares, Grove

SENATE REVENUE AND TAXATION COMMITTEE: 4-0, 4/22/26

AYES: McNerney, Ashby, Becker, Grayson

NO VOTE RECORDED: Alvarado-Gil

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/14/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NOES: Dahle

NO VOTE RECORDED: Seyarto

SUBJECT: Public health

SOURCE: Author

DIGEST: This bill requires the California Department of Public Health (CDPH) to develop signage for lung cancer screening and requires licensed tobacco retailers to display the signage or be subject to a civil penalty.

ANALYSIS:

Existing law:

- 1) Enacts the Cigarette and Tobacco Products Licensing Act, 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.

- 2) Transfers duties, powers, and responsibilities related to the administration of taxes and fees from BOE to the California Department of Tax and Fee Administration (CDTFA).
- 3) Directs CDTFA to administer the Cigarette and Tobacco Products Tax Law.
- 4) Requires retailers, distributors, manufacturers, wholesalers, and importers to have and maintain a license, and conspicuously display the license at each retail location in a manner visible to the public or be subject to a \$500 civil penalty.
- 5) Creates two kinds of licenses for retailers: one for those who sell tobacco products subject to the Cigarette and Tobacco Products Tax, and one for those whose products are not subject to that tax, such as retailers of electronic delivery devices not containing or sold with nicotine and certain accessories, such as zero-nicotine vaporized liquids.
- 6) Provides that licenses are valid for one year and must be renewed annually.
- 7) Sets license fees on both sets of tobacco retailers at \$450, for new or renewed licenses applied for on or after July 1, 2026, while permitting CDTFA to further increase the license fee by regulation to an amount necessary to maintain the Compliance Fund at a level that is no more than necessary to cover its reasonable costs, not to exceed \$600 (AB 573, Rogers, Chapter 269, Statutes of 2025).
- 8) Creates the California Tobacco Control Program (CTCP) within the California Department of Public Health (CDPH) to reduce tobacco use and prevent tobacco-related diseases, and conduct health education interventions and behavior change programs at the state level, in the community, and other non-school settings, including cessation programs. Requires CDPH to conduct statewide surveillance of tobacco-related behaviors, knowledge, and attitudes, and evaluate its local and state tobacco control programs.
- 9) Requires retailers of tobacco products, as part of the Stop Tobacco Access to Kids Enforcement (STAKE) Act, to post conspicuously a notice stating that selling tobacco products to anyone under 21 years of age is illegal and subject to penalties, that the law requires those selling tobacco products check the identification of a purchaser, and includes a toll-free telephone number to report unlawful sales of tobacco products to any person under 21 years of age.

This bill:

- 1) Requires CDPH to develop signage for lung cancer screening, which must include, on or before July 1, 2027:
 - a) Eligibility criteria for lung cancer screening.
 - b) Information on the effectiveness of lung cancer screening.
 - c) The toll-free telephone number of the Kick It California tobacco cessation program.
 - d) A quick response code that links to the Kick It California page on the department's internet website.
- 2) Amends the Licensing Act to require a retailer engaged in the retail sale of cigarettes or tobacco products to prominently display the signage in every retail location of the retailer beginning January 1, 2028.
- 3) Imposes a penalty of \$500 for failing to display the signage, in addition to any other applicable penalty.

Background

Approximately 29,000 cigarette and tobacco product retail locations are licensed to sell cigarettes and tobacco products in California. CDTFA's compliance efforts include regular inspections of businesses selling cigarettes and tobacco products, including retailers, wholesalers, and distributors, to ensure compliance with cigarette and tobacco product tax and licensing laws. CDTFA annually conducts about 3,318 inspections of licensed cigarette and tobacco product retailers to ensure compliance with the Licensing Act and applicable tax laws. Among other requirements, CDTFA enforces the current requirement under the Licensing Act that a retailer conspicuously display the license at each retail location, as well as signage requirements under the STAKE Act.

Kick It California. The Kick It California program seeks to help Californians quit cigarettes, vaping products, smokeless tobacco, and cannabis. Funded by the First 5 Commission and the California Department of Public Health (CDPH), and operated by the University of California, San Diego, Kick It seeks to help those who consume these products by connecting them with skilled "quit coaches." Dating its commencement to 1992, Kick It states that it enrolled almost 30,000 people last year, of whom 15,824 received coaching.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- Unknown one-time General Fund costs, potentially tens of thousands, for the California Department of Public Health (CDPH) to develop the signage.
- The California Department of Tax and Fee Administration (CDTFA) estimates costs (ranging from \$10,000 to \$50,000) for implementation and ongoing activities, including providing notifications to retail licensees, answering taxpayer inquiries, and performing related administrative functions such as issuing and processing civil penalties and handling appeals (Cigarette and Tobacco Products Compliance Fund). CDTFA indicates unknown potential revenues from civil penalties.
- Unknown, potential cost pressures to the courts related to additional enforcement penalties provided in this measure (Trial Court Trust Fund, General Fund). While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources.

SUPPORT: (Verified 5/16/26)

American College of Surgeons, Southern California Chapter
American Lung Cancer Screening Initiative
California Academy of Family Physicians
California Hawaii State Conference of the NAACP
California LGBTQ Health and Human Services Network
California OneCare Education Fund
County of Fresno
San Luis Obispo County Tobacco Control Coalition
Southern California Public Health Association
UCLA Undergraduate Student Association Council
One Individual

OPPOSITION: (Verified 5/16/26)

California Fuels and Convenience Alliance

ARGUMENTS IN SUPPORT: According to the author, “Lung cancer is the leading cause of cancer death in California and nationally, yet California has the lowest lung cancer screening rate in the country (<1%). The primary barrier is awareness given that 62% of Americans don’t even know lung cancer screening exists. The United States Preventive Services Task Force recommends yearly lung cancer screening (LCS) for people who have a 20 pack-year (a packyear refers to smoking an average of 1 pack of cigarettes per day for 1 year) or more smoking

history, smoke now, or have quit within the past 15 years, and are between the ages of 50 and 80. Although LCS are generally covered by insurance for individuals who meet these high-risk criteria, in California, only 16.8% of this population receive LCS. SB 1124 would raise awareness around eligibility for lung cancer screenings and encourage tobacco users to access health care services already available to them. To address California's particularly low screening rates and the disparities in access across communities, SB 1124 will require signage, created by the California Department of Health, for lung cancer screening eligibility criteria at the point-of sale for tobacco products."

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