

UNFINISHED BUSINESS

Bill No: SB 1124
Author: Archuleta (D), et al.
Amended: 8/13/26
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

SENATE FLOOR: 29-4, 5/27/26

AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Stern, Umberg, Wahab, Weber Pierson, Wiener

NOES: Alvarado-Gil, Grove, Niello, Strickland

NO VOTE RECORDED: Choi, Dahle, Jones, Ochoa Bogh, Seyarto, Smallwood-Cuevas, Valladares

ASSEMBLY FLOOR: 66-4, 8/25/26 - See last page for vote

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.

Assembly Amendments (1) Allow CDPH to make signage available to raise lung cancer awareness, instead of developing the signage; (2) Permit CDPH to develop signage using existing materials, or partner with an existing program; (3) Allow CDPH to satisfy the bill's requirement by including a Quick Response code on the signage that links to information required by the bill; (4) Provide a maximum size for signage; (3) Require the signage to be available free of cost to retailers from website; (4) Direct retailers to post the signage conspicuously; (5) Provide that provisions in current law directing CDTFA to suspend or revoke a tobacco retail license do not apply to violations of the bill's provisions; (6) Direct proceeds from civil penalties imposed under the bill to the Cigarette and Tobacco Products Compliance Fund; and (6) Consolidate the measure's changes into one code section in the Cigarette and Tobacco Products Licensing Act.

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 Cigarette and Tobacco Products 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) Amends the Licensing Act to require CDPH to make available signage to raise lung cancer screening awareness, 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) Permits CDPH to develop the signage, use existing materials, or partner with an existing lung cancer screening public awareness or education campaign, and to satisfy the bill's requirement by including a Quick Response code on the signage that links to information required above.
- 3) Bars signage from exceeding 8.5 inches by 4 inches in size.

- 4) Requires signage to be available to order at no cost from CDPH's internet website.
- 5) Amends the Licensing Act to require a retailer engaged in the retail sale of cigarettes or tobacco products to conspicuously display the signage at each retail location of the retailer beginning January 1, 2028.
- 6) Imposes a penalty of \$500 for failing to display the signage, in addition to any other applicable penalty.
- 7) Directs CDTFA to impose the penalty in accordance with the procedures for the civil penalty in existing law for failing to display its license, upon its discovery that a retailer failed to display the signage at a retail location.
- 8) Provides that provisions in current law directing CDTFA to suspend or revoke a tobacco retail license do not apply to violations of the bill's provisions.
- 9) Deposits proceeds from penalties imposed under the bill into the Cigarette and Tobacco Products Compliance Fund.

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: No

According to the Assembly Appropriations Committee:

- CDPH states it anticipates costs of approximately \$426,000 for fiscal years (FY) 2027-28 and 2028-29, and \$275,642 ongoing beginning in FY 2029-30 for one full-time staff to develop the lung cancer screening signage, manage a graphic design contract, support regulatory development, and provide relevant content information such as lung cancer eligibility criteria (General Fund). If CDPH uses existing materials or works with an existing lung cancer screening awareness campaign, costs could be significantly lower.
- Possible additional costs of an unknown amount to the University of California (UC), which administers Kick It California, to integrate new call prompts and referral pathways into existing workflows for the program's cessation activities (California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund and Cigarette and Tobacco Products Surtax Fund).
- California Department of Tax and Fee Administration (CDTFA) estimates costs of \$100,000 in 2026-27, \$266,000 in 2027-28, \$242,000 in 2028-29, \$170,000 in 2029-30, and \$141,000 in 2030-31 and ongoing for 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 also anticipates potential revenues of an unknown amount from civil penalties.

SUPPORT: (Verified 8/24/26)

African American Tobacco Control Leadership Council
American College of Surgeons, Southern California Chapter
American Lung Cancer Screening Initiative
Association of Northern California Oncologists
Breathe Southern California
California Academy of Family Physicians
California-Hawai'i State Conference of the NAACP
California LGBTQ Health and Human Services Network
California Lung Cancer Coalition
California OneCare Education Fund
City of Alameda
CleanEarth4Kids.org

County of Fresno
Medical Oncology Association of Southern California
San Luis Obispo County Tobacco Control Coalition
Southern California Public Health Association
UC Student Association
UCLA Undergraduate Student Association Council
One Individual

OPPOSITION: (Verified 8/24/26)

None received

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.”

ASSEMBLY FLOOR: 66-4, 8/25/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio, Ellis, Macedo, Tangipa

NO VOTE RECORDED: Dixon, Hoover, Johnson, Lackey, McKinnor, Patterson,
Sanchez, Ta, Wallis

Prepared by: Colin Grinnell / REV. & TAX. / (916) 651-4117
9/22/26 15:32:33

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