Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1314 (Menjivar) – As Amended July 1, 2026

Policy Committee:	Health	Vote:	14 - 0
	Business and Professions		12 - 4

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill prohibits a new retail location for a retailer of cigarettes or tobacco products ("retailer") from being located within 600 feet—or a greater radius required by a local jurisdiction—of a school or daycare center and prohibits a retailer from selling nitrous oxide or paraphernalia related to the consumption of nitrous oxide.

Specifically, this bill:

1) Prohibits a new retail location for a retailer from being located within 600 feet of a daycare center or public or private school, including kindergarten or any of grades one through 12, unless the local jurisdiction specifies a distance greater than 600 feet.

2) Effective July 1, 2027, prohibits a retailer from possessing, storing, owning, or selling nitrous oxide, including products derived from or containing nitrous oxide, or paraphernalia related to the consumption of nitrous oxide.

3) Provides that, effective July 1, 2027, the California Department of Tax and Fee Administration (CDTFA) is not required to issue a new tobacco license for a retail location within 600 feet—or a greater distance set by a local jurisdiction—of a school or daycare center unless the application is for license renewal for an existing retailer, or a new license or renewal of a license for a grocery store.

4) Requires an enforcing agency (a) assess penalties for violations of items 1 and 2, above, in accordance with a schedule prescribed in existing law, and (b) provide notice of the violation to CDTFA. Requires CDTFA, upon such notification, to assess a civil penalty and suspend or revoke a tobacco license.

5) Provides that the provisions of the bill are severable.

FISCAL EFFECT:

CDTFA estimates costs of $359,000 in 2026-27, $292,000 in 2027-28, and approximately $159,000 in 2028-29 and ongoing for programming updates to CDTFA's online retailer license application, processing applications, implementing license suspensions and revocations following enforcing agency violation notices, performing inspections to ensure compliance with suspension or revocation provisions, issuing civil or criminal citations, and seizing cigarettes and tobacco products from suspended licensees (Cigarette and Tobacco Products Compliance Fund).

CDTFA states it cannot estimate the effect of this bill on revenues because it does not know how many retailer licenses would be denied to retail locations within the restricted radius, suspended, or revoked as a result of the bill's provisions. Similarly, CDTFA is unable to estimate revenues from civil penalties and criminal fines, and losses from sales and use taxes associated with nitrous oxide sales.

The California Department of Public Health (CDPH) estimates costs of $1.75 million in fiscal year (FY) 2028-29 and $1.66 million annually beginning in FY 2029-30 for 7.5 full-time staff to carry out the enforcement, administrative, and legal requirements of the bill (General Fund).

COMMENTS:

1) **Purpose.** This bill is sponsored by Sacramento Mayor Pro Tem Eric Guerra. According to the author:

   > [This bill] takes a common-sense approach to protecting the health and safety of minors by establishing reasonable guardrails on how and where these smoke shops operate to ensure that our kids' environments are not plagued with harmful vices.

2) **Background.** ***Tobacco Access.*** This bill amends the Stop Tobacco Access to Kids Enforcement Act (STAKE Act), which CDPH administers to reduce the availability of tobacco to youth under 21 years old. Under the STAKE Act, an enforcing agency, including CDPH, the Attorney General, and local law enforcement agencies, may assess civil penalties against any person, firm, or corporation that sells, gives, or furnishes a tobacco product to another person who is under 21. Fines range from $1,000 to $10,000 for a first, second, third, fourth, or fifth violation within a five-year period. Enforcement agencies deposit civil penalties in the State Treasury to the credit of the Sale of Tobacco to Minors Control Account.

   Nitrous Oxide. Nitrous oxide has long been used for anesthesia in surgical and dental procedures. Nitrous oxide is also used in aerosol containers to deliver culinary substances such as cooking oil sprays and whipped cream, and in motor racing as a rapid-burning fuel. Nitrous oxide is also used as a recreational drug, producing short-lived euphoric and hallucinogenic effects. The U.S. Food and Drug Administration recently warned that "inhaling nitrous oxide can result in a range of symptoms and serious health problems, neurological and nerve damage, spinal cord and brain damage, heart attack, and in some cases, death."

3) **Opposition**. The California Fuels and Convenience Alliance (CFCA) writes in opposition to this bill that by limiting where new fuel retail facilities may locate and where existing stations may be redeveloped or replaced, this bill would limit the number of gas stations competing for customers in local markets, which would mean higher prices at the pump. CFCA further argues that for many fuel retailers, tobacco sales generate the customer traffic that supports other purchases, and CFCA members in jurisdictions that have adopted comparable restrictions have experienced substantial declines in store revenues, reduced staffing levels, shorter business hours, and deferred facility investments after losing tobacco sales. CFCA contends this bill could prevent a purchaser of a gas station from obtaining a new license for the same location, which would render the business less valuable, and such

impacts would fall disproportionately on immigrant and minority entrepreneurs. CFCA argues recent amendments would drive sales to the unlicensed tobacco sellers, "reducing tax revenues while rewarding those who ignore the law."

4) **Related Legislation**. AB 762 (Irwin) prohibits the sale of disposable, battery-embedded vapor inhalation devices and authorizes the CDTFA and local agencies to enforce the prohibition through the revocation or suspension of the respective licenses issued by those entities or imposing civil penalties. AB 762 is pending in the Senate Appropriations Committee.

   AB 957 (Ortega) prohibits a pharmacy from engaging in the sale of cigarettes or tobacco products. AB 957 failed passage in the Senate Committee on Business, Professions, and Economic Development.

   SB 758 (Umberg) prohibits a cigarette and tobacco retailer, except a grocery store or general retail merchandise store with a grocery department, from selling nitrous oxide. SB 758 is pending in this committee.

   SB 936 (Blakespear) prohibits a person from selling, offering to sell, or distributing: (a) a nitrous oxide container that can hold more than eight grams of nitrous oxide, (b) a container that allows an individual to directly inhale nitrous oxide, (c) flavored or scented nitrous oxide, or (d) a device that allows a person to inhale nitrous oxide from the container or to hold nitrous oxide released from the nitrous oxide container for purposes of inhalation. SB 936 is pending in this committee.

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