

Tobacco Vendor Licensing



Tobacco Vendor Licensing (TVL) reduces tobacco product availability and accessibility, particularly to vulnerable youth. A key tobacco control measure, TVL can limit tobacco retailer density around schools, parks, and hospitals; this is critically important because vendor abundance normalizes tobacco use, increases exposure to tobacco advertisements, and thwarts quit efforts. TVL can also restrict the types of products sold alongside tobacco and ensures inspectors know where products are sold, allowing for more effective enforcement of all point-of-sale tobacco laws.

TVL Critical Components

When implemented, TVL policy can be accompanied by added rules around purchase age, point-of-sale advertising, and e-cigarette sales. Effective TVL policies include the following:

- **Application Restrictions:** License fees should be sufficiently high enough to cover licensing law implementation costs. Vendors should also be prohibited from selling tobacco products alongside toys or candy that entice children or adjacent to drugs or medicines (e.g., in pharmacies). Loose cigarette sales should be banned, and vendors should be barred from distributing free tobacco products or promotional items. Finally, the license should have a non-transferable clause stipulating that it must be operated by the specific person to whom it was assigned.
- **License Revocation:** Enforcers should revoke licenses if vendors violate any of the licensing rules, including advertising restrictions; sell tobacco to minors; violate the non-transferable clause; or upon seizure of counterfeit/illicit tobacco products.
- **Location Restrictions:** Policies should mandate that vendors maintain a certain distance from schools, youth-oriented locations (e.g., sports stadiums), and residential zones. Certain vendors—e.g., those operating kiosks or on roadsides—should be ineligible for the license.

- **Density Restrictions:** Policies should limit the number of vendors in a specific geography by capping application numbers; preventing retailers from reapplying for licenses after revocation; or by reducing, by a specific percentage, the total number of licenses issued each period.

TVL Benefits

Tobacco Vendor Licensing empowers enforcers, disincentivizes tobacco control violations, and improves public health. More specifically, TVL can produce the following benefits:

- **Decreased Youth Initiation:** Decreased vendor density decreases youth tobacco initiation and use, especially when TVL targets school zones and residential neighbourhoods.
- **Increased Equity:** Tobacco vendor density is often higher in low-income, marginalized communities. Restricting vendor density and increasing licensing restrictions will help these communities denormalize tobacco use and limit its accessibility.
- **Funding For Public Health:** TVL costs can be used to offset other health initiatives or pay for enforcement. When vendors are licensed, they are more likely to comply with tax policies that provide critical government revenue.
- **Improved Compliance:** Precisely because it identifies the exact location of every tobacco vendor, TVL strengthens tobacco control law enforcement and compliance.

TVL Implementation Issues

Like all tobacco control policies, TVL has certain inherent challenges. Implementers will be more successful if they are aware of the following potential constraints:

- **Mapping Vendors:** It may be difficult to determine precise licensing needs in areas saturated with vendors or in jurisdictions where tobacco is sold outside traditional brick-and-mortar shops.
- **Vendor Awareness:** If tobacco vendors work in the informal sector and aren't formally identified, they will be unaware of—and unlikely to implement—new restrictions.
- **TVL Enforcement:** Vendor licensing is just the first step; coordinating the multiple agencies responsible for enforcement of point-of-sale laws

¹ <https://countertobacco.org/policy/licensing-and-zoning/>



Photo: Anwar Saad / The Union

is critical.

- **Industry interference:** The tobacco industry vehemently opposes TVL as it prohibits tobacco product advertisements and promotion, tobacco sales incentives for retailers, and unregulated tobacco product sales.
- **Vendor Resistance:** Penalties, tax liabilities and other fiscal consequences are unpopular.

The Union's Recommendations

To implement effective TVL policies, The Union recommends that governments consider the following:

- **Leverage TVL** as a mechanism to ensure responsible retail and public health law compliance.
- **Convene a taskforce** to implement, evaluate and advise on tobacco retail policies.
- **Educate law enforcers** on the “requisite knowledge;” provide resources to enforce the “licensing law;” and ensure compliance with all relevant point-of-sale tobacco policies.
- **Prepare and perfect arguments** to counter tobacco industry and front group interference.
- **Create a clear application process** that articulates the specific circumstances under which a license will be suspended, revoked, or not renewed.
- **Prioritize vendor communication**, ensuring that retailers understand both their responsibilities and non-compliance penalties.
- **Map all tobacco retailers** in the jurisdiction and create a public database of all licensed vendors.
- **Establish systems** to ensure retailer data is accurately collected and recorded; provide up-to-date information about outlet addresses, business ownership changes, and whether the outlet continues to sell tobacco.
- **Publish accessible annual reports** with quantitative measures of retailer monitoring, compliance, prosecutions, and convictions.

Case Studies

Islamabad (Pakistan):

In 2015, the Islamabad Tobacco-Smoke Free Capital (TSFC) Project began implementing the West Pakistan Tobacco Vendors Act-1958. This project identified and registered 1,300 tobacco vendors. While the licensing authority did not refuse any licenses, a 2018 study to assess tobacco vendor compliance with the TVA showed that an impressive 79% of those surveyed understood its purpose and that 70 vendors ceased trading tobacco.

New York City (United States):

New York City implemented its Tobacco Retailer Dealer License system in early 2018, capping the number of retailers at 50%. Applications cost \$200/license; if a retailer was stripped of its tobacco license, it could not reapply. The City also mandated that tobacco products could no longer be sold at pharmacies, which single-handedly decreased retailer density by nearly 7%, going up to over 15% in some neighbourhoods.

References:

<https://publichealthlawcenter.org/sites/default/files/resources/tclc-syn-retailer-2010.pdf>

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