September 16, 2026

Policy Analysis and Fiscal Impact Statement

TO: Planning, Housing and Economic Development Committee (PHED)

THRU: Rana Hightower, Director
Planning, Housing and Economic Development Committee (PHED)

FROM: Credelphia Ganu
Legislative Liaison to M-NCPPC

RE: **CB-083-2026 –** Food or Beverage Stores-Convenience Stores-Tobacco Product Sales

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CB-083-2026 (*proposed by*: Council Chair Krystal Oriadha)

Assigned to the Planning, Housing and Economic Development Committee (PHED)

AN ORDINANCE CONCERNING FOOD OR BEVERAGE STORES-CONVENIENCE STORES-TOBACCO PRODUCT SALES, for the purpose of amending the Transitional Provisions of the Zoning Ordinance to prohibit the development of specified tobacco-related uses and certain food or beverage stores under the prior Zoning Ordinance; prohibiting convenience stores under the current Zoning Ordinance from selling tobacco or tobacco accessories, excluding hookahs; revising related use standard; and providing a transition period for affected existing uses.

Fiscal Summary

Direct Impact:

Expenditures: Potentially unfavorable; administrative and enforcement costs cannot presently be quantified.

Revenues: Potentially unfavorable; any impact cannot presently be quantified.

Indirect Impact:

Potentially mixed; anticipated public-health benefits and effects on affected retailers cannot be quantified.

Legislative Summary:

CB-083-2026 amends Sections 27-1703, 27-1704, 27-2500, and 27-5102 of the Prince George's County Zoning Ordinance. The bill would affect uses proceeding under both the prior and current Zoning Ordinances.

Under the Transitional Provisions, the bill would prohibit the acceptance, review and approval of applications electing to use the prior Zoning Ordinance for tobacco shops, electronic cigarette shops, retail tobacco businesses, and food or beverage stores with less than 5,000 square feet of gross floor area that sell tobacco or tobacco accessories, excluding hookahs.

A food or beverage store operating under the prior Zoning Ordinance that exists on January 1, 2027, has less than 5,000 square feet of gross floor area, does not sell gas or have gas pumps, and sells tobacco or tobacco accessories would be required to end the sale of tobacco or tobacco accessories for off-site use after July 1, 2027. Hookahs are excluded from the restriction.

For uses under the current Zoning Ordinance, the bill would revise the definition of convenience store to prohibit tobacco or tobacco-accessory sales, excluding hookahs. It would delete the existing allowance for incidental tobacco sales occupying no more than 32 square feet or five percent of gross floor area, whichever is less.

The bill would also delete the tobacco-specific three-mile separation requirement in Section 27-5102(e)(9)(F)(ii). The separate three-mile restriction between convenience stores would remain, together with the existing exception for certain stores legally operating as of December 31, 2024, and the exemption for convenience stores in Transit-Oriented/Activity Center Zones and related planned development zones.

Any convenience store operating on the effective date of the Ordinance would be required to discontinue tobacco and tobacco-accessory sales, excluding hookahs, after July 1, 2027. The Ordinance would take effect 45 calendar days after adoption.

Implementation Summary:

Implementation would require coordination among the Planning Department, Planning Board, District Council, Department of Permitting, Inspections and Enforcement (DPIE), Department of Health, and other agencies responsible for land-use review, permitting, licensing, and enforcement.

The affected agencies may need to:

- Identify pending applications and existing uses operating under the prior and current Zoning Ordinances that may be affected;

- Revise application materials, intake procedures, definitions, checklists, public guidance, and internal review instructions;

- Establish a coordinated process for notice, compliance verification, referrals, permit review, and enforcement;
- Track the January 1, 2027, applicability date and the July 1, 2027, sales-compliance deadline;
- Train applicable staff and update electronic permits, application-tracking, and records-management systems as necessary;
- Address ownership changes, occupancy permits, appeals, and other transition issues.

The Planning Board and technical staff took no position on the proposed legislation and forwarded amendments concerning occupancy changes, the convenience-store definition and related use standard, and the scope of the amortization provision.

Current Law/Background:

The current Zoning Ordinance became effective April 1, 2022. Sections 27-1703 and 27-1704 establish transitional rules under which certain applications, projects, permits, and uses may continue to proceed under the prior Zoning Ordinance, subject to specified conditions.

Section 27-1704 currently prohibits approval of a tobacco shop, electronic cigarette shop, or retail tobacco business selling tobacco or electronic-cigarette products for off-site use when located within five miles of another such use. The prior Zoning Ordinance classifies certain small retail establishments as food or beverage stores rather than convenience stores.

Under Section 27-2500, a convenience store is a retail sales and service store with less than 5,000 square feet of floor area that primarily sells grocery or deli items and miscellaneous day-to-day goods. It may offer quick-service food as an accessory use and may include another principal use permitted in the same zone. A convenience store may not sell gas or have gas pumps.

The current definition permits incidental sales of tobacco or tobacco accessories, excluding hookahs from that limitation, provided the tobacco-product area does not exceed 32 square feet or five percent of gross floor area, whichever is less. These limitations reflect amendments enacted through CB-080-2022 and CB-031-2023.

Section 27-5102(e)(9)(F) generally prohibits a convenience store within three miles of another legally operating convenience store. The restriction does not apply to stores legally operating with a use and occupancy permit as of December 31, 2024, or to later changes in occupancy of those stores. A separate provision prohibits a convenience store that sells tobacco products from locating within three miles of another convenience store, tobacco shop, electronic cigarette shop, or retail tobacco business. Convenience stores in specified transit-oriented zones are exempt from these separation requirements.

CB-089-2026 is companion legislation addressing tobacco-product sales under Subtitle 12 of the County Code. CB-083-2026 addresses the land-use definitions, transitional provisions, and use-specific zoning standards. The two measures would require coordinated implementation if both are enacted.

Proposed Legislation:

CB-083-2026 would:

1. Stop acceptance of new prior-Ordinance applications for tobacco shops, electronic cigarette shops, retail tobacco businesses, and specified food or beverage stores that sell tobacco or tobacco accessories;

2. Require covered prior-Ordinance food or beverage stores existing on January 1, 2027, to end covered off-site tobacco sales after July 1, 2027;

3. Prohibit convenience stores under the current Zoning Ordinance from selling tobacco or tobacco accessories, excluding hookahs;

4. Remove the tobacco-product display-area allowance and the tobacco-specific three-mile separation rule;

5. Require convenience stores operating on the effective date to end covered sales after July 1, 2027.

Resource Personnel:

- Legislative Attorney: Josh Hamlin
- Council Office: Office of the Council Chair Krystal Oriadha
- Agency Contact: M-NCPPC Planning Department; Department of Permitting, Inspections and Enforcement; and Prince George's County Health Department

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Discussion/Policy Analysis:

CB-083-2026 is intended to reduce the availability of tobacco and tobacco accessories at small retail establishments by changing which uses may proceed under the prior Zoning Ordinance and by prohibiting covered sales at convenience stores under the current Zoning Ordinance. The measure would operate together with CB-089-2026, which addresses sales restrictions and penalties under Subtitle 12.

The Planning Department found the bill consistent with Plan Prince George's 2035 and noted that reducing use of the prior Zoning Ordinance advances the County's goal of implementing a modernized zoning framework. Staff also identified consistency with recommendations in the Gateway Arts District and Port Towns plans concerning neighborhood-compatible retail and evidence-based approaches to concentrations of alcohol and tobacco sales.

The proposed restrictions could support public health objectives by reducing the number and types of small retail locations at which covered tobacco products are available. The extent of any benefit would depend on the number of affected businesses, consumer substitutions to other retailers or jurisdictions, enforcement, and the implementation of the companion legislation.

The bill would also affect existing businesses. Convenience stores currently may devote a limited amount of floor area to incidental tobacco sales. Eliminating that product category could reduce revenue for affected retailers and may cause some customers to shift purchases outside the County or to other permitted retailers. The Planning Department stated that the County may wish to consider whether the existing display-area limitation is sufficient and cautioned that a complete prohibition could prompt a legal challenge. The legal sufficiency of the proposed sales restriction and amortization provisions should be confirmed by the Office of Law.

Deleting the tobacco-specific three-mile separation rule is internally consistent only if the complete sales prohibition remains. If the Council retains the current convenience store definition or otherwise permits tobacco sales, the existing tobacco-specific separation requirement should also remain or be revised to match the final policy.

The transition provisions require additional clarification. As drafted, the prohibition on accepting applications under the prior Zoning Ordinance may also reach applications for changes in occupancy when a compliant business is sold. Planning staff recommended an exemption or clarification so an existing business may continue under new ownership, provided it complies with the tobacco-sales deadline.

The bill uses different applicability dates for existing uses. A covered prior-Ordinance food or beverage store must exist on January 1, 2027, while a current-Ordinance convenience store must be operating on the Ordinance's effective date. Both must discontinue covered sales after July 1, 2027. The Council may wish to confirm that the different triggers are intentional and that the amortization of language reaches all affected existing uses.

Draft 1 also labels both the severability clause and the effective-date clause as SECTION 3. The final effective-date clause should be renumbered SECTION 4 as a technical correction.
The Planning Board and technical staff took no position with amendments. Their recommendations were to clarify changes in occupancy, consider retaining the current convenience-store definition and related use-specific standard, and clarify the amortization provision for existing uses operating under the prior Zoning Ordinance.

Fiscal Impact:

- ***Direct Impact***

Expenditures: Potentially unfavorable; administrative and enforcement costs cannot be presently quantified.

CB-083-2026 does not create positions or appropriate funding. Implementation may require the Planning Department, DPIE, Health Department, and other affected agencies to review existing approvals, identify covered businesses, revise application and permit materials, issue public guidance or notices, coordinate referrals, train staff, and verify compliance after the transition period.

The amount of any additional expenditure would depend on the number of affected applications and businesses, the availability of reliable licensing and permit data, the process selected for notification and compliance verification, the need for system changes, and the number of inspections, appeals, or enforcement actions. No agency cost estimate is presently available.

Revenues: Potentially unfavorable; any impact cannot presently be quantified.

The bill does not establish a new fee or dedicated revenue source. The Planning Department noted that tobacco and tobacco-accessory sales can represent a significant source of revenue for convenience stores and that a complete prohibition may shift purchases to other retailers or outside the County. This could reduce taxable business activity associated with affected stores, although the County's share and the net fiscal effect cannot be determined from available information.

Revenue effects would depend on the number of affected businesses, the value and profitability of covered sales, consumer substitution, business adaptation, and applicable State and local tax treatment.

- ***Indirect Impact***

Potentially mixed; any impact cannot presently be quantified.

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Reduced access to tobacco products at convenience stores and certain food or beverage stores may support public-health objectives and could contribute to longer-term reductions in tobacco-related health costs. The magnitude of any benefit would depend on changes in purchasing and consumption behavior and cannot be attributed to the zoning bill alone.

Affected retailers may incur costs to reduce inventory, reconfigure merchandise, update business plans, or replace lost product revenue. The measure may also change the location and concentration of tobacco sales by shifting purchases to larger grocery stores, permitted specialty retailers, or businesses outside the County.

- *Appropriated in the Current Fiscal Year Budget*

No. CB-083-2026 does not appropriate funding. Initial administrative costs are expected to be absorbed within existing agency appropriations unless affected agencies determine that additional staffing, technology, outreach, legal support, or enforcement resources are required.

Policy Implementation Resources/Project Timeline:

Milestone 1 – Enactment and Legal Review

a. The office of Law, Planning Department, DPIE, Health Department, and other affected agencies may review the enacted legislation and its relationship to CB-089-2026.

b. Agencies may confirm the effective date, January 1, 2027, applicability date, July 1, 2027, compliance deadline, ownership-change procedures, and enforcement responsibilities.

c. The Planning Department and DPIE may identify pending applications, prior-Ordinance approvals, current convenience-store uses, and relevant permit records.

Milestone 2 – Procedures and Notice

a. Application forms, checklist, definitions, intake instructions, permit procedures, and public guidance may be revised.

b. Affected businesses may be notified of the sales restrictions and the July 1, 2027, compliance deadline.

c. Interagency referral, inspection, documentation, appeal, and enforcement procedures may be established, and applicable staff may be trained.

Milestone 3 – Compliance and Enforcement

a. After July 1, 2027, covered existing uses would be required to discontinue tobacco and tobacco-accessory sales, excluding hookahs.

b. Participating agencies may verify compliance through permit, licensing, inspection, or complaint-based processes, consistent with their legal authority.

Milestone 4- Ongoing Administration

a. Agencies may monitor application volume, ownership changes, compliance, enforcement workload, appeals, retailer adaptation, and fiscal effects.

b. Procedures or legislation may be revised if recurring legal, administrative, data, or coordination issues are identified.

Resources and Critical Path

Implementation resources may include planning and zoning personnel, permit and inspection staff, public-health and licensing personnel, legal support, information-technology and records-management staff, communications support, and personnel from other participating agencies.

Timely implementation will depend on finalizing legally sufficient transition language, identifying affected businesses, resolving the treatment of ownership and occupancy changes, aligning CB-083-2026 with CB-089-2026, notifying regulated entities before the compliance deadline, and establishing clear interagency enforcement responsibilities.

Disclaimer: this is a preliminary implementation timeline based on the legislation and information available at this time. Agency fiscal and implementation estimates were not available when this draft was prepared. Staffing needs, system requirements, procedures, and cost remain subject to confirmation.

Effective Date of Proposed Legislation:

The proposed Ordinance will take effect 45 calendar days after its adoption.

If you require additional information or have questions about this fiscal impact statement, please reach out to me via phone or email.