PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2026 Legislative Session

Reference No.:	CB-083-2026
Draft No.:	1
Committee:	PLANNING, HOUSING, AND ECONOMIC DEVELOPMENT
Date:	9/17/2026
Action:	FAVORABLE

REPORT: Committee Vote: Favorable with Amendments, 5-0 (In favor: Committee Chair Blegay, Vice Chair Oriadha, Council Members Adams-Stafford, Dernoga and Olson)

The Planning, Housing and Economic Development (PHED) Committee met on Thursday, September 17, 2026, to consider CB-083-2026. As presented on Tuesday, September 1, 2026, the County Council presented and referred Draft-1 of the bill to the PHED Committee. The bill is for the purpose of amending to the transitional provisions of the Zoning Ordinance to prohibit food or beverage store uses under the prior ordinance; modifying the definition of the Convenience Store use in the Zoning Ordinance to prohibit the sale of tobacco and tobacco-related products; remove certain use requirements for convenience store related to the sale of tobacco products; and providing for a transition period to ensure compliance.

The PHED Committee Director, Rana Hightower, provided a summary of the proposed legislation and shared public comments and feedback from various agencies within Prince George's County.

PHED Committee Vice Chair Oriadha explained that she has been fighting the issue of tobacco stores throughout her four years of service. She noted there is an oversaturation of tobacco shops in certain communities, particularly in District 7, where four stores are located right next to each other, with two liquor stores across the street.

Although legislation has been enacted to close loopholes that allow these stores to continue opening, the problem persists. New tobacco shops keep emerging, and the trend shows no signs of slowing down.

To address this issue, a moratorium was implemented to prohibit the opening of new tobacco stores in District 7 for one year. During this time, Chair Oriadha is working on legislation to tackle this epidemic in specific areas. Many of these shops are also violating the law by purchasing their products from Maryland and Virginia to avoid paying taxes, which allows them to maintain higher profits. Lastly, she emphasized that these are bad actors who are not following proper procedures.

Ms. Cree Ganu, Legislative Liaison for the Maryland-National Capital Park and Planning Commission, prepared a Policy Analysis and Fiscal Impact Statement noting that 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.

The indirect fiscal impact could be 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.

The Planning Board voted to take no position on the proposed legislation with amendments.

The Office of Law notes the legislation is vulnerable to a preemption challenge to the extent it is construed as a regulation of tobacco sales.

The provisions restricting tobacco sales at certain retail establishments make the bill susceptible to a legal challenge based on implied preemption. In Altadis U.S.A., Inc. v. Prince George's County., Maryland, 431 Md. 307, 318, 65 A.3d 118, 124 (2013), the Maryland Court of Appeals held that State law occupies the field of regulating the packaging and sale of tobacco products, including cigars, thereby impliedly preempting local regulation in that area.

The restrictions in CB-083-2026 could be viewed as the County's attempt to use its zoning authority to prohibit certain businesses from selling tobacco products based on the type of business or the size of the establishment.

A court could therefore conclude that the ordinance is regulating tobacco sales, rather than merely regulating land use, and that the County is accomplishing through zoning what Altadis prohibits it from doing directly.

Mr. Mike O'Halloran with the Mid-Atlantic Petroleum Distributors Association testified that convenience stores would like a clear differentiation between legitimate convenience stores and "smoke shops." He explained the industry offers diverse goods, not primarily tobacco and requested collaboration to refine the bill. He also mentioned that the association supports stronger enforcement tools like SB 820 to target illegal operators

Ms. Sarah Price with the Maryland Retailers Alliance testified echoing Mr. O'Halloran's concerns regarding "smoke shops." She asked questions on why existing laws have not curbed to proliferation of "smoke shops" and mentioned the concern could be an enforcement issue. Ms. Price also requested clarification on the gas station exemption and enforcement challenges.

On motion of PHED Committee Vice Chair Oriadha, seconded by PHED Committee Chair Blegay the PHED Committee voted 5-0 favorably on CB-083-2026.