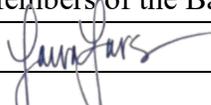




CITY OF BALTIMORE  
MAYOR BRANDON M. SCOTT

<b>TO</b>	The Honorable President and Members of the Baltimore City Council
<b>FROM</b>	Laura Larsen, Budget Director 
<b>DATE</b>	January 27 <sup>th</sup> , 2026
<b>SUBJECT</b>	City Council Bill 25-0114, Zoning – Uses – Smoke Shop

**Position: Does Not Oppose**

The Department of Finance is herein reporting on City Council Bill 25-0114, Zoning – Uses – Smoke Shop, the purpose of which is for the purpose of making smoke shops a conditional use by approval of the Board of Municipal and Zoning Appeals in all commercial zoning and mixed-use districts; setting use standards for smoke shops; clarifying a certain measurement methodology; making conforming changes; and defining certain terms

**Background**

Over the past five years the Council has worked on several pieces of legislation regarding to tobacco and the uses in the zoning code.

<b>Tobacco</b>			
<b>Bill Number</b>	<b>Bill Name</b>	<b>Bill establishes</b>	<b>Disposition</b>
20-0631	Excise Tax - Electronic Smoking Devices	30% tax on e-cigarettes and e-cigarette products	Did Not Pass
23-0418	Tobacco Products - Tobacco Product Use in Stadiums – Prohibition	Ban on e-cigarette usage in stadiums	Passed
<b>Zoning - Uses</b>			
23-0356	Zoning - Modifications to Research and Development Facility	Amending the definition of research and development establishment; creating use standards for research and development establishments	Passed
25-0040	Zoning – Uses – Retail: Small Box Establishment	Regulates where a “small box establishment may open	Passed

**City Council Bill 25-0114**

City Council Bill 25-0114 establishes new zoning regulations for smoke shops in Baltimore City by designating them as a conditional use subject to approval by the Board of Municipal and Zoning Appeals (BMZA). The bill defines a “smoke shop” as a retail business primarily engaged in selling or allowing the on-site use of tobacco, vaping, or similar products and accessories, operating under applicable state tobacco or electronic smoking device licenses. To reduce clustering the bill prohibits smoke shops from locating

within 500 feet of any school, recreation center, or park, and within 1,500 feet of another smoke shop.

**Fiscal Impact**

City Council Bill 25-0114, Zoning – Uses – Smoke Shop is expected to bring in a variable amount of revenue from Zoning Appeals filings every year and is expected to cost \$106,090 in personnel costs.

*Fiscal Analysis*

In researching this legislation, the Department of Finance consulted the State Licensing Bureau, a bureau within the State Comptroller’s Office. The Bureau provided data on every new license issued in Baltimore City between 2015 and 2025; note that a license year runs from May 1 to April 30. One key observation is that licenses change frequently due to changes in ownership or operatorship. The Department of Finance assumes that the intent of this law is to affect newly established smoke shops, rather than existing businesses that simply experienced a change in ownership or operatorship and therefore required a new license. Accordingly, licenses issued solely due to a change in ownership or operatorship were excluded from the analysis.

25-0114 will require new smoke shops seek a variance from the Board of Municipal and Zoning Appeals (BMZA), it is assumed that the number of applicants before the BMZA will increase. To estimate the expected volume, the Department analyzed State data on newly licensed tobacco retailers each year, assuming that each new licensee would need to appear before the BMZA. An appeal for two or fewer variances before the BMZA costs \$100, and it is assumed that applicants will request no more than two variances.

<b>License Year (May 1 to April 30)</b>	<b>Newly Issued Licenses</b>	<b>BMZA filing fees paid under 25-0114</b>
2014	97	\$9,700
2015	1496	\$14,9600
2016	219	\$21,900
2017	175	\$17,500
2018	188	\$18,800
2019	86	\$8,600
2020	90	\$9,000
2021	69	\$6,900
2022	63	\$6,300
2023	117	\$11,700
2024	129	\$12,900
2025	77	\$7,700
<b>TOTAL</b>	<b>2809</b>	<b>\$280,900</b>
Newly issued licenses data is from the State License Bureau of the Comptroller of Maryland.		

The table shows that there are a variable number of licenses issued is varies significantly from year to year. The average number of new licenses between 2014 and 2025 was 234, if 2015 was excluded, it would be 119.

BMZA has stated that if they receive applications above 30 annually, that in conjunction with the requirements of 25-0040 Zoning – Uses – Retail: Small Box Establishment, the agency will need a GIS Analyst to assist with implementing both pieces of legislation. A GIS Analyst's salary is \$70,509 with

\$35,581 in other personnel costs for a total of \$106,090 in personnel costs. While the number of licenses annually is variable, most years of the last ten years have seen more than 30 new smoke shops annually.

### **Other Considerations**

The Department of Finance recognizes that this legislation will have costs that are difficult to quantify, in revenues and expenditures, impacts on City residents. The dedensification of “smoke shops” and reduced youth exposure to tobacco products will lead to healthier outcomes for all.

### **Conclusion**

City Council Bill 25-0114 represents the City Council’s continued effort to regulate tobacco and vaping-related activities to protect public health and neighborhood quality of life. By establishing distance requirements from schools, parks, and other smoke shops, and by requiring conditional use approval through the BMZA, the bill aims to prevent overconcentration and reduce youth exposure to tobacco products. While the fiscal impact is expected to be minimal, the legislation introduces an additional layer of oversight intended to promote more thoughtful placement and regulation of these businesses across Baltimore City.

**For the reasons stated above, the Department of Finance does not oppose/opposes City Council Bill 25-0114.**

cc: Michael Mocksten  
Nina Themelis