

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: August 9, 2022

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Dennis Bubenik, Director of Finance

Topic: Tobacco retailer license update

PURPOSE

The tobacco section of the Municipal Code needs to be updated due to the many changes that have occurred since the code was first adopted. The Tobacco Commissioner is supportive of setting standards for the review of tobacco license applications, creating two separate classes of tobacco licenses, regulating limits on the number of each class to be issued, and changing the fee schedule to reflect the revised fees for these licenses. These changes require Board approval.

PROCESS

The last update to the tobacco section of the Municipal Code was approximately 20 years ago. The State has passed rules during this 20-year period; and, over the past several years, there have been many changes in the tobacco industry, including the sale of alternative tobacco products. These changes are reflected in the proposed revision.

Staff met with the Village Attorney and the Village President to discuss options for updating the tobacco code. After much consideration, it was decided to set standards for the review of tobacco license applications, and create two separate classes of tobacco licenses; one for the ancillary sale of tobacco, and one for a tobacco store. Each of these classes would also have limitations on the number of licenses allowed in the Village. This revision is modeled similar to the liquor license section of the Municipal Code, which includes separate license classes, and limits to the number of allowed license holders in each class.

The first classification of licenses authorizes the number of stores that are allowed to sell tobacco as an ancillary product. Currently there are 17 tobacco licensees in the Village, all of which would be considered a class 1 tobacco license under the proposed structure. Class 1 retailers of tobacco would be allowed to sell tobacco only as an ancillary product to their overall sales. One example of such a licensee would be Walmart.

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The second classification of tobacco license authorizes the operation of a tobacco store. This license allows for the issuance of one class 2 tobacco retailer license where the sale of tobacco products is the store's primary purpose.

OUTCOME

Adopting these changes to the Municipal Code and Fee Schedule will accomplish the needed updates to the tobacco license process.

FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass an ordinance amending the Municipal Code to create two separate classes of tobacco licenses (class 1 and class 2) and to limit the allowed number of tobacco licenses in the Village to 17 class 1 licenses and one class 2 license; and, pass an ordinance amending the "Business License" section of the Fee Schedule as it pertains to tobacco retailer license fees.

ATTACHMENT(S)

Ordinances