



# NEWPORT BEACH

## City Council Staff Report

June 9, 2026  
Agenda Item No.3

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** Jaime Murillo, Community Development Director - 949-644-3209, [jmurillo@newportbeachca.gov](mailto:jmurillo@newportbeachca.gov)

**PREPARED BY:** Oscar Orozco, Associate Planner - 949-644-3219, [oorozco@newportbeachca.gov](mailto:oorozco@newportbeachca.gov)

**TITLE:** Ordinance No. 2026-06: Amending Title 5 (Business Licenses and Regulations) and Title 20 (Planning and Zoning) Related to Tobacco Retailer Businesses (PA2025-0171)

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### **ABSTRACT:**

For the City Council's consideration is the adoption of Ordinance No. 2026-06, amending Title 5 (Business Licenses and Regulations) and Title 20 (Planning and Zoning) of the Newport Beach Municipal Code to establish comprehensive regulations for Tobacco Retailer Businesses and cigar lounges. This ordinance was introduced and considered at the City Council meeting on May 26, 2026.

### **RECOMMENDATIONS:**

- a) Find this project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080.17 of the Public Resources Code and pursuant to Section 15061(b)(3), the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment; and
- b) Waive a full reading of an Ordinance, read by title only, conduct a second reading and adopt Ordinance No. 2026-06, *An Ordinance of the City Council of the City of Newport Beach, California, Adding Chapter 5.55 (Retailer Businesses) to Title 5 (Business Licenses and Regulations) and Amending Title 20 (Planning and Zoning) of the Newport Beach Municipal Code Related to Operation of New Tobacco Retailer Businesses and the Relocation or Physical Expansion of Existing Tobacco Retailer Businesses, Also Known as Smoke Shops.*

### **DISCUSSION:**

The proposed amendments would create new permitting requirements, operational standards, location restrictions, and other provisions, including but not limited to requiring all tobacco retailer businesses to obtain a Tobacco Retailer Permit from the Newport Beach Police Department. The ordinance would prohibit tobacco retailer businesses from operating near residential zoning districts, schools, public libraries, parks and other sensitive uses. As proposed, existing retailers within these buffer areas may be considered legal nonconforming uses but would be required to obtain a Tobacco Retailer Permit. Upon adoption of the ordinance, staff will issue letters to all existing retailers

within the buffer areas outlining the required timeframes for obtaining a Tobacco Retailer Permit.

The ordinance would further establish a new land use classification for cigar lounges and permit them within the Office Airport (OA) and Office Regional (OR) Zoning Districts subject to certain operational and locational standards.

The City Council introduced the proposed amendments on March 26, 2026, at a noticed public hearing. After considering all evidence and taking public testimony, Mayor Kleiman made a motion to approve the proposed amendments with one revision to modify the suspension and revocation language so that a Tobacco Retailer Permit may be suspended for up to 180 days for a first violation and shall be revoked for a second violation. Following the motion, the City Council voted unanimously to introduce Ordinance No. 2026-06 and pass it on to a second reading.

**FISCAL IMPACT:**

The proposed amendments will have no fiscal impact. To ensure these costs are fully recovered, a new Tobacco Retailer Permit fee is being established. This fee is structured to capture the staff time and administrative resources necessary to implement and enforce the updated regulatory framework.

**ENVIRONMENTAL REVIEW:**

The proposed action is statutorily and categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 21080.17 of the Public Resources Code and pursuant to Section 15061(b)(3), the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. While this amendment would modify standards for tobacco retailer businesses and cigar lounges within the City of Newport Beach, it does not authorize new development that would directly result in physical changes to the environment. There is no evidence or known special circumstances that amending the regulations for tobacco retailer businesses and cigar lounges would result in any effects on the environment.

**NOTICING:**

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

**ATTACHMENT:**

Attachment A – Ordinance No. 2026-06