

# DC TOBACCO BUSINESS LICENSES & SMOKE-FREE WORKPLACES LAW FREQUENTLY ASKED QUESTIONS

**I am the owner of an establishment in the District of Columbia who wants to allow the smoking of tobacco products (i.e. cigarettes, hookah and cigars), other smoking products, and/or electronic smoking devices. What do I need to know? How do I comply with the District of Columbia laws and regulations?**

If you intend to sell smoking products at your establishment and to permit smoking within a public and enclosed area, you must have both a *Basic Business License* and a *smoking exemption* from the Department of Health Functions Clarification Amendment Act (DC Law 14-28).

## **What is a Basic Business License?**

A *Basic Business License (BBL)* is an official document issued by the Department of Consumer and Regulatory Affairs' Business Licensing Division that indicates a business has met corporate and tax registration requirements, land-use requirements and passed all inspections and/or obtained approval in being compliant with DC Official Code and DC Municipal Regulations. As it pertains to the sale of tobacco products, a business must obtain a Basic Business License for either the Cigarette Retail category or the Cigarette Wholesale category.

## **What is a smoking exemption?**

A *smoking exemption* is a Department of Health certification for an enclosed area establishment in public places that allows tobacco consumption (smoking) without the risk of being penalized (DC Official Code § 7-741.02).

## **What is a tobacco product?**

A tobacco product means any product that is made from or derived from tobacco and is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled or ingested by any other means, including through a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, snus, smokeless tobacco or an electronic smoking device, as that term is defined in (D.C. Official Code § 7-1702(8)). The term "*tobacco product*" also includes any component or accessory used in the consumption of a tobacco product such as filters, rolling papers, pipes or liquids used in electronic smoking devices.

### What is an electronic smoking device?

An electronic smoking device or a vapor product is any non-lighting, noncombustible product that employs a mechanical heating element, battery, or electronic circuit, regardless of shape or size, that can be used to produce aerosol from nicotine in a solution. Any vapor cartridge or other container of nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device (D.C. Official Code § 7-741.01(1); D.C. Official Code § 47-2401(9A)).

### What types of establishments can be considered for a smoking exemption?

Establishment Type	Definition
<b>Tobacco Bar</b>	1. I am licensed as a restaurant, tavern, brew pub, club or nightclub. <b>AND</b> 2. My business generates 10% or more of its total annual revenue from the on-site sale of tobacco products, excluding sales from vending machines or the rental of on-site humidors.  (D.C. Official Code § 7-741.01(5))
<b>Retail Store</b>	I own or operate a retail store that does not share space with any other establishment and is used primarily for the sale of tobacco products and accessories in which the total annual revenue generated by the sale of non-tobacco products or accessories is no greater than 25% of the total revenue of the establishment.  (D.C. Official Code § 7-741.03(a)(1))

### How is a smoking exemption different from a *Basic Business License*?

The Department of Consumer and Regulatory Affairs Business Licensing Division administers all licenses for manufacturers and retailers. In order to sell tobacco products or electronic smoking devices within the District, a business must obtain a

Basic Business License. A smoking exemption permits smoking of tobacco products within an enclosed public place only.

### **What types of products do I need a smoking exemption for?**

A smoking exemption is needed for any product that burns tobacco or a plant product creating smoke such as cigarettes, cigars, cigarillos and electronic nicotine delivery systems (i.e. vaping products, e-cigarettes and hookah).

### **What documents do I need to apply for a Basic Business License for cigarette retail or wholesale category?**

- Completed, signed and dated BBL application
- Proof of Corporate Registration (excludes Sole Proprietors not using a Trade Name)
- Notice of Business Tax Registration
- Clean Hands Certificate
- Proof of payment

### **What documents do I need to apply for the smoking exemption?**

- Completed 8-page application
  - Signed by owners
  - Notarized
  - Identifying the type of exemption requested
  - Contact information
- Provide your tobacco sales revenue displayed as a percentage of your gross revenue. Tobacco is taxed at a different rate than other products, thus figures for on-site tobacco sales cannot be bundled with any other products in your reporting.
  - The sales revenue report summary should be in Excel/QuickBooks format.
  - An independent entity, such as your accountant must sign off on your reported financial figures.
- Tax returns for the previous two years
- Contact information, including mailing address and preferred point of contact.
- Current Basic Business License for the cigarette retail/wholesale category

### **How is a public place defined?**

A public place is an enclosed area to which the public is invited or in which the public is permitted. These locations include:

- Banks
- Educational Facilities
- Health Care Facilities
- Laundromats
- Public Transportation Facilities
- Reception Areas
- Restaurants
- Retail Food Production and Marketing Establishments
- Nightclubs
- Retail Service Establishments
- Retail Stores
- Shopping Malls
- Sports Arenas
- Taverns
- Theaters
- Waiting Rooms

### **How is an enclosed area defined?**

An enclosed area is all the space between a floor and ceiling which is enclosed on all sides by solid walls, windows and/or doors, exclusive of doorways that extend from the floor to the ceiling.

### **How much does it cost to obtain a Basic Business License for the cigarette retail or wholesale category?**

A Basic Business License for the cigarette retail category is either \$147.40/2-year term or \$190.30 /4-year term.

A Basic Business License for the cigarette wholesale category is either \$247.50/2-year term or \$390.50/4-year term.

### **How much does it cost to apply for a smoking exemption?**

There is no charge to be considered for an exemption.

### **How long does the application process take for the Basic Business License for cigarette retail or wholesale category?**

The turnaround time for obtaining a Basic Business License varies according to the method of submission. If an application is submitted online or in-person, the license is issued the same day. If the application is submitted by mail, the application may take up to thirty (30) calendar days for review and issuance.

### **How long does the smoking exemption application process take?**

The evaluation process for complete applications generally takes up to thirty (30) calendar days to be approved or denied.

### **How long does a Basic Business License last?**

A Basic Business License is valid for either a 2-year or a 4-year term. The customer determines the license period upon initial application.

### **How long does a smoking exemption permit last?**

Exemptions are valid for three (3) years and must be renewed to remain valid.

### **I am opening a new business and would like to permit indoor smoking. How do I apply for a smoking exemption?**

If you intend to sell tobacco products at your establishment and to permit smoking within a public and enclosed area, you must have both a *Basic Business License* and a *smoking exemption* (Department of Health Functions Clarification Amendment Act (DC Law 14-28)). In order to complete application requirements, prospective new establishments must submit one (1) calendar year of financial documentation (i.e. IRS tax returns) of tobacco revenue sales as part of the required application.

### **Can I permit smoking within my location during the smoking exemption application process?**

No! Only establishments with an exemption can legally permit smoking within their location.

### **Where can I apply for a Basic Business License?**

- Internet: [mybusiness.dc.gov](http://mybusiness.dc.gov)
- In-Person: DCRA Business License Center  
1100 4<sup>th</sup> Street, SW, 2nd Floor  
Washington, DC 20024
- Mail: Wells Fargo Bank  
DC Government Wholesale Lockbox 91360  
7175 Columbia Gateway Drive  
Columbia, MD 21046

### **Who can I contact for more information about a Basic Business License?**

Department of Consumer and Regulatory Affairs, Business Licensing Division  
(202) 442-4400  
[dcra.dc.gov](http://dcra.dc.gov)

### **Who can I contact for more information about the smoking exemption?**

District of Columbia Department of Health, Tobacco Control Program  
(202) 442-5433  
[TobaccoControl@dc.gov](mailto:TobaccoControl@dc.gov)