

SB0623/493820/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 623
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Retail Tobacco**” and substitute “**Tobacconist**”; in line 6, strike “certain tobacco products retailer” and substitute “tobacconist”; in line 7, after “license;” insert “providing that a local licensing board may authorize the owner or operator of a tobacconist that does not hold an alcoholic beverages license to allow the consumption of alcoholic beverages on the premises under certain circumstances; altering, for purposes of requirements for other tobacco products business licenses, the definition of “pipe tobacco” to exclude tobacco intended for use in a hookah or similar smoking device and the definition of “tobacconist” to exclude retailers that do not derive at least a certain percentage of revenues from the sale of premium cigars and pipe tobacco;”; in line 8, strike “certain tobacco products retailer” and substitute “tobacconist”; in the same line, strike “is adjacent to” and substitute “shares a wall with”; in line 9, after “facility;” insert “requiring a certain affidavit to be filed with the clerk of the circuit court when renewing a tobacconist license;”; strike beginning with “exempting” in line 9 down through “license” in line 10 and substitute “limiting an exemption for certain retail tobacco businesses”; in line 10, after “Act” insert “to licensed tobacconists”; strike beginning with “requiring” in line 10 down through “Commission” in line 12 and substitute “providing that a local alcoholic beverages license held by a tobacconist shall be converted to a Class C–PCL alcoholic beverages license; prohibiting a local licensing board from revoking or suspending a converted Class C–PCL license under certain circumstances”; in line 12, strike “retail tobacco” and substitute “tobacconist”; after line 13, insert:

“BY repealing and reenacting, without amendments,
Article - Alcoholic Beverages and Cannabis
Section 4-204
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)”;

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in line 16, after “4-1002” insert “; and 4-1301 to be under the new subtitle “Subtitle 13. Unlicensed Establishments””; after line 18, insert:

“BY repealing and reenacting, without amendments,
Article - Business Regulation
Section 16.5-101(a), (i), (j), and (q)
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)”;

and in line 21, strike “16.5-204(b)” and substitute “16.5-101(p) and (t), 16.5-203(b) and (e), 16.5-204(b), and 16.5-206(c)”.

AMENDMENT NO. 2

On page 2, after line 8, insert:

“4-204.

(a) Except as otherwise provided in Division II of this article and subsection (b) of this section, a local licensing board may not issue more than one license for use at the same premises.

(b) The prohibition in subsection (a) of this section does not apply to a license issued in accordance with §§ 4-1201 through 4-1205 of this title.”;

strike beginning with “**OTHER**” in line 12 down through “**ARTICLE**” in line 13 and substitute “**“SOCIAL EQUITY APPLICANT” MEANS AN APPLICANT FOR A CLASS C-PCL LICENSE THAT HAS AT LEAST 65% OWNERSHIP AND CONTROL HELD BY ONE OR MORE INDIVIDUALS WHO:**

(I) HAVE LIVED IN A DISPROPORTIONATELY IMPACTED AREA FOR AT LEAST 5 OF THE 10 YEARS IMMEDIATELY PRECEDING THE SUBMISSION OF THE APPLICATION;

(II) ATTENDED A PUBLIC SCHOOL IN A DISPROPORTIONATELY IMPACTED AREA FOR AT LEAST 5 YEARS; OR

(III) FOR AT LEAST 2 YEARS, ATTENDED A 4-YEAR INSTITUTION OF HIGHER EDUCATION IN THE STATE WHERE AT LEAST 40% OF THE INDIVIDUALS WHO ATTEND THE INSTITUTION OF HIGHER EDUCATION ARE ELIGIBLE FOR A PELL GRANT”;

in line 17, after “(B)” insert “THIS SECTION DOES NOT APPLY IN MONTGOMERY COUNTY.”

(C)”;

in line 18, strike “(C)” and substitute “(D)”; in line 25, after “(I)” insert “A LOCAL LICENSING BOARD MAY NOT ISSUE MORE THAN TWO NEW CLASS C-PCL LICENSES IN A SINGLE JURISDICTION DURING A CALENDAR YEAR.”

(II) 1.”;

in the same line, strike “A” and substitute “SUBJECT TO SUBPARAGRAPHS (III) AND (IV) OF THIS PARAGRAPH, A”; in line 27, strike “(II)” and substitute “2.”; and after line 28, insert:

“(III) A LOCAL LICENSING BOARD MAY NOT ISSUE A NEW CLASS C-PCL LICENSE FOR AN ESTABLISHMENT LOCATED WITHIN 5 MILES OF AN ESTABLISHMENT WITH AN EXISTING CLASS C-PCL LICENSE.”

(Over)

(IV) THE ISSUANCE OF A CLASS C-PCL LICENSE IS SUBJECT TO LOCAL REGULATIONS REGARDING THE TOTAL NUMBER OF ALCOHOLIC BEVERAGES LICENSES THAT MAY BE ISSUED IN A SINGLE JURISDICTION.

(3) A LOCAL LICENSING BOARD SHALL ESTABLISH A SCORING OR WEIGHTED REVIEW PROCESS FOR APPLICATIONS FOR A CLASS C-PCL LICENSE, WHICH SHALL CONSIDER:

(I) WHETHER THE APPLICANT QUALIFIES AS A SOCIAL EQUITY APPLICANT;

(II) THE APPLICANT'S BUSINESS ACUMEN AND OPERATIONAL CAPACITY;

(III) THE APPLICANT'S YEARS OF EXPERIENCE IN THE TOBACCO, HOSPITALITY, OR RELATED INDUSTRY;

(IV) WHETHER THE APPLICANT RESIDES IN THE COUNTY OR MUNICIPALITY IN WHICH THE LICENSE IS SOUGHT;

(V) ANY WRITTEN INPUT OR APPROVAL, AS REQUIRED BY THE LOCAL LICENSING BOARD, FROM RELEVANT LOCAL STAKEHOLDERS, INCLUDING THE COUNTY, A MUNICIPAL CORPORATION, OR A RECOGNIZED COMMUNITY OR BUSINESS ASSOCIATION;

(VI) THE ECONOMIC BENEFIT THE PROPOSED BUSINESS IS EXPECTED TO PROVIDE TO THE LOCAL JURISDICTION, INCLUDING JOB CREATION, CAPITAL INVESTMENT, AND SUPPORT FOR LOCAL COMMERCE; AND

(VII) ANY OTHER FACTOR THAT THE LOCAL LICENSING BOARD DETERMINES IS NECESSARY TO PROMOTE EQUITY, COMMUNITY COMPATIBILITY, AND RESPONSIBLE BUSINESS OPERATIONS.

On page 3, in lines 1, 11, and 22, strike “(D)”, “(E)”, and “(F)”, respectively, and substitute “(E)”, “(F)”, and “(G)”, respectively; strike beginning with “ALLOW” in line 1 down through “PREMISES” in line 2 and substitute “SELL ALCOHOLIC BEVERAGES FOR ON-PREMISES CONSUMPTION”; strike in their entirety lines 4 and 5; in lines 6 and 8, strike “(2)” and “(3)”, respectively, and substitute “(1)” and “(2)”, respectively; in line 6, strike “PRODUCT” and substitute “PREMIUM CIGAR OR PIPE TOBACCO”; in line 7, strike “DURING THE TIME THE CUSTOMER IS ON THE PREMISES”; in line 16, strike “SUFFICIENT” and substitute “DETAILED SPECIFICATIONS FOR”; in the same line, after “FILTRATION” insert “SYSTEMS”; in the same line, after “EXHAUST” insert “SYSTEMS”; in line 20, after “THAT” insert “ENUMERATES THE DANGERS OF SECONDHAND SMOKE AND STATES THAT”; after line 21, insert:

“(3) AN ACKNOWLEDGMENT PROVIDED UNDER PARAGRAPH (2)(III) OF THIS SUBSECTION SHALL STATE THAT THE ACKNOWLEDGMENT DOES NOT CONSTITUTE A WAIVER OF THE EMPLOYEE’S RIGHTS UNDER FEDERAL, STATE, OR LOCAL WORKPLACE SAFETY REGULATIONS.”;

in line 22, before “THE” insert “(1)”; strike beginning with the colon in line 22 down through “(2)” in line 26; strike beginning with the first comma in line 27 down through “REPORT” in line 28 and substitute “A STATEMENT OF AVERAGE DAILY RECEIPTS AND AN AFFIDAVIT OF A CERTIFIED PUBLIC ACCOUNTANT THAT VERIFY THAT THE LICENSE HOLDER HAS MET THE REQUIREMENTS OF A TOBACCONIST UNDER § 16.5–101 OF THE BUSINESS REGULATION ARTICLE.”

(2) IF, BASED ON THE ANNUAL SUBMISSION REQUIRED UNDER THIS SUBSECTION OR ANY OTHER INFORMATION AVAILABLE TO THE LOCAL LICENSING BOARD, THE LOCAL LICENSING BOARD DETERMINES THAT A LICENSE HOLDER DOES NOT MEET THE REQUIREMENTS OF A TOBACCONIST UNDER § 16.5-101 OF THE BUSINESS REGULATION ARTICLE, THE LOCAL LICENSING BOARD MAY REVOKE OR SUSPEND THE CLASS C-PCL LICENSE OR OTHERWISE DISCIPLINE THE LICENSE HOLDER IN ACCORDANCE WITH ENFORCEMENT POWERS PROVIDED UNDER THIS ARTICLE AND ANY APPLICABLE LOCAL LAW OR REGULATION.

(H) A LICENSE HOLDER MAY NOT:

(1) ALLOW A PERSON TO USE CIGARETTES, ELECTRONIC SMOKING DEVICES, OR CANNABIS ON THE LICENSED PREMISES;

(2) ALLOW AN INDIVIDUAL UNDER THE AGE OF 21 YEARS ON THE LICENSED PREMISES;

(3) HAVE LIVE ENTERTAINMENT ON THE LICENSED PREMISES; OR

(4) OPERATE A COMMERCIAL KITCHEN ON THE LICENSED PREMISES”;

strike line 29 in its entirety and substitute:

“(I) A LOCAL LICENSING BOARD SHALL SET THE ANNUAL LICENSE FEE FOR A CLASS C-PCL LICENSE BETWEEN \$500 AND \$2,500.

SUBTITLE 13. UNLICENSED ESTABLISHMENTS.

4-1301.

(A) (1) THIS SECTION APPLIES TO A TOBACCONIST:

(I) THAT ALLOWS ON-PREMISES CONSUMPTION OF PREMIUM CIGARS AND PIPE TOBACCO;

(II) THAT DOES NOT HOLD AN ALCOHOLIC BEVERAGES LICENSE; AND

(III) THAT IS OPEN TO THE PUBLIC.

(2) THIS SECTION DOES NOT APPLY IN MONTGOMERY COUNTY.

(B) A LOCAL LICENSING BOARD MAY AUTHORIZE THE OWNER OR OPERATOR OF A TOBACCONIST TO ALLOW A CUSTOMER WHO IS AT LEAST 21 YEARS OLD TO BRING ALCOHOLIC BEVERAGES ONTO THE PREMISES FOR PERSONAL CONSUMPTION, PROVIDED THE CUSTOMER CONCURRENTLY BUYS AND CONSUMES TOBACCO PRODUCTS.

(C) IF THE OWNER OR OPERATOR OF THE TOBACCONIST ALLOWS THE CONSUMPTION OF ALCOHOLIC BEVERAGES ON THE PREMISES, THE OWNER OR OPERATOR:

(1) MAY LIMIT THE AMOUNT AND TYPE OF ALCOHOLIC BEVERAGES THAT MAY BE CONSUMED ON THE PREMISES;

(Over)

(2) SHALL REQUIRE THAT AT LEAST ONE EMPLOYEE WHO IS WORKING AND PRESENT ON THE PREMISES HAS BEEN TRAINED IN AN ALCOHOL AWARENESS PROGRAM UNDER § 4-505 OF THIS TITLE; AND

(3) MAY NOT ALLOW:

(I) AN INDIVIDUAL TO CONSUME ALCOHOLIC BEVERAGES ON THE PREMISES OF THE TOBACCONIST FROM 1 A.M. THROUGH 10 A.M.;

(II) A CUSTOMER TO DISTURB THE PEACE, SAFETY, AND WELFARE OF THE COMMUNITY;

(III) A PERSON TO USE CIGARETTES, ELECTRONIC SMOKING DEVICES, OR CANNABIS WHILE ON THE PREMISES; OR

(IV) AN INDIVIDUAL UNDER THE AGE OF 21 YEARS OLD TO ENTER THE PREMISES.

(D) IF, BASED ON THE STATEMENT OF AVERAGE DAILY RECEIPTS AND AFFIDAVIT REQUIRED UNDER § 16.5-206(C)(4) OF THE BUSINESS REGULATION ARTICLE OR ANY OTHER INFORMATION AVAILABLE TO THE LOCAL LICENSING BOARD, THE LOCAL LICENSING BOARD DETERMINES THAT A TOBACCONIST AUTHORIZED TO ALLOW ON-PREMISES CONSUMPTION DOES NOT MEET THE REQUIREMENTS OF A TOBACCONIST UNDER § 16.5-101 OF THE BUSINESS REGULATION ARTICLE, THE LOCAL LICENSING BOARD MAY REVOKE THE AUTHORIZATION TO ALLOW ON-PREMISES CONSUMPTION OR OTHERWISE DISCIPLINE THE TOBACCONIST IN ACCORDANCE WITH ENFORCEMENT POWERS PROVIDED UNDER THIS ARTICLE AND ANY APPLICABLE LOCAL LAW OR REGULATION.

(E) THE LOCAL LICENSING BOARD SHALL NOTIFY THE EXECUTIVE DIRECTOR OF EACH TOBACCONIST AUTHORIZED TO ALLOW ON-PREMISES CONSUMPTION OF ALCOHOLIC BEVERAGES UNDER THIS SECTION.”;

and after line 30, insert:

“16.5–101.

(a) In this title the following words have the meanings indicated.

(i) “Licensed tobacconist” means a person licensed by the clerk of a circuit court under § 16.5–204(b) of this title to act as a tobacconist.

(j) (1) “Other tobacco products” means, except as provided in paragraph (3) of this subsection, a product that is:

(i) intended for human consumption or likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled, or ingested in any other manner, and that is made of or derived from, or that contains:

1. tobacco; or

2. nicotine; or

(ii) a component or part used in a consumable product described under item (i) of this paragraph.

(2) “Other tobacco products” includes:

(i) cigars, premium cigars, pipe tobacco, chewing tobacco, snuff, and snus; and

(Over)

(ii) filters, rolling papers, pipes, and hookahs.

(3) “Other tobacco products” does not include:

(i) cigarettes;

(ii) electronic smoking devices;

(iii) drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act; or

(iv) tobacco pipes, as defined under § 11–104 of the Tax – General Article.

(p) **(1)** “Pipe tobacco” means any tobacco that, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco to smoke in a pipe.

(2) “PIPE TOBACCO” DOES NOT INCLUDE TOBACCO THAT IS INTENDED FOR USE IN A HOOKAH OR SIMILAR SMOKING DEVICE.

(q) “Premium cigars” means cigars that:

(1) have hand–rolled wrappers made from whole tobacco leaves where the filler, binder, and wrapper are made of all tobacco, and may include adhesives or other materials used to maintain size, texture, or flavor; or

(2) are designated as premium cigars by the Executive Director by regulation.

(t) “Tobacconist” means an other tobacco products business that derives at least 70% of its revenues, measured by average daily receipts, from the sale of [other tobacco products] PREMIUM CIGARS, PIPE TOBACCO, and [tobacco-related] RELATED accessories FOR ON-PREMISES OR OFF-PREMISES CONSUMPTION.

16.5-203.

(b) (1) An applicant for a license to act as an other tobacco products retailer or a tobacconist:

(i) shall obtain a county license by submitting to the clerk an application for each permanent or temporary place of business located in the same enclosure and operated by the same applicant; and

(ii) except as provided in paragraph (2) of this subsection, shall pay to the clerk a fee of \$15.

(2) A person who has a license issued under Title 16 of this article to act as a cigarette retailer or to act as a special cigarette retailer is not required to pay the license fee.

(3) The application shall:

(i) be made on the form that the clerk requires; and

(ii) contain the information that the Executive Director requires.

(4) IF AN APPLICANT FOR A LICENSE TO ACT AS A TOBACCONIST INTENDS TO ALLOW ON-PREMISES CONSUMPTION OF PREMIUM CIGARS OR PIPE TOBACCO, THE APPLICANT SHALL INCLUDE WITH THE APPLICATION SUBMITTED

(Over)

UNDER THIS SUBSECTION A BUILDING PLAN DEMONSTRATING DETAILED SPECIFICATIONS FOR AIR FILTRATION SYSTEMS AND EXHAUST SYSTEMS.

(e) (1) A licensee shall display a license in the way that the Executive Director requires by regulation.

(2) IF SMOKING IS ALLOWED ON THE PREMISES, A LICENSEE SHALL DISPLAY IN A CONSPICUOUS PLACE THAT SMOKING IS ALLOWED ON THE PREMISES.

(3) A TOBACCONIST LICENSEE SHALL RETAIN RECORDS RELATED TO AVERAGE DAILY RECEIPTS OF THE TOBACCONIST FOR A MINIMUM OF 2 YEARS.

(4) A TOBACCONIST LICENSEE MAY NOT SELL ALCOHOLIC BEVERAGES UNLESS THE TOBACCONIST LICENSEE ALSO HOLDS A CLASS C-PCL LICENSE ISSUED UNDER § 4-1002 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE.”.

On page 4, in line 8, strike “IS ADJACENT TO” and substitute “SHARES A WALL WITH”; after line 9, insert:

“(3) THE CLERK MAY RENEW A TOBACCONIST LICENSE ISSUED UNDER THIS SECTION IF A LICENSED HEALTH CARE FACILITY OR LICENSED CHILD CARE FACILITY RELOCATES TO SHARE A WALL WITH THE TOBACCONIST.

16.5-206.

(c) Before a license issued under this subtitle expires, the licensee may renew it for an additional 1-year term, if the licensee:

(1) otherwise is entitled to be licensed;

(2) submits to the issuing official a renewal application on the form that the issuing official requires; [and]

(3) pays to the issuing official the license fee required under § 16.5–203 of this subtitle; AND

(4) IS RENEWING A LICENSE TO ACT AS A TOBACCONIST AND THE LICENSEE FILES WITH THE CLERK OF THE CIRCUIT COURT A STATEMENT OF AVERAGE DAILY RECEIPTS AND AN AFFIDAVIT OF A LICENSED CERTIFIED PUBLIC ACCOUNTANT THAT VERIFY THE LICENSEE HAS MET THE REQUIREMENTS OF A TOBACCONIST.”;

in line 21, strike “(A)”; and in line 29, after “A” insert “**TOBACCONIST AS DEFINED IN § 16.5–101 OF THE BUSINESS REGULATION ARTICLE**”.

On pages 4 and 5, strike beginning with “retail” in line 29 on page 4 down through “REVENUE” in line 4 on page 5.

On page 5, strike in their entirety lines 10 through 12, inclusive; and strike beginning with the second comma in line 13 down through “accessories” in line 19 and substitute “;

(a) Notwithstanding § 4–1002(d) of the Alcoholic Beverages and Cannabis Article, as enacted by Section 1 of this Act, a local alcoholic beverages license held by a tobacconist prior to July 1, 2024, shall be converted to a Class C–PCL license under § 4–1002 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 1 of this Act, regardless of whether the conversion would cause the number of Class C–PCL licenses in the jurisdiction to exceed the maximum number of licenses otherwise

authorized under § 4–1002(d) of the Alcoholic Beverages and Cannabis Article, as enacted by Section 1 of this Act.

(b) A local licensing board may not suspend or revoke a converted Class C–PCL license for noncompliance with sales percentages required under § 16.5–101(t) of the Business Regulation Article, as enacted by Section 1 of this Act, before July 1, 2028, at which point the license holder shall demonstrate compliance with this Act.

(c) For purposes of determining whether a local licensing board may issue any additional Class C–PCL licenses in the jurisdiction, a local licensing board shall count any Class C–PCL license converted under this section toward the total number of:

(1) Class C–PCL licenses allowed in a single jurisdiction under § 4–1002(d) of the Alcoholic Beverages and Cannabis Article, as enacted by Section 1 of this Act; and

(2) alcoholic beverages licenses issued in a jurisdiction if the jurisdiction has local laws or regulations limiting the total amount of alcoholic beverages licenses issued in the jurisdiction”.