

# SENATE BILL 623

C2, A1

6lr2156  
CF HB 766

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By: **Senators Watson and Harris**

Introduced and read first time: February 5, 2026

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 7, 2026

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Retail Tobacco~~ **Tobacconist Businesses and Establishment of a Premium Cigar**  
3 **Lounge Alcoholic Beverages License**  
4 **(Maryland Premium Cigar Lounge Act of 2026)**

5 FOR the purpose of establishing a Class C–PCL (premium cigar lounge) alcoholic beverages  
6 license for use in conjunction with a ~~certain tobacco products retailer~~ tobacconist  
7 license; authorizing a local licensing board to issue the license; providing that a local  
8 licensing board may authorize the owner or operator of a tobacconist that does not  
9 hold an alcoholic beverages license to allow the consumption of alcoholic beverages  
10 on the premises under certain circumstances; altering, for purposes of requirements  
11 for other tobacco products business licenses, the definition of “pipe tobacco” to  
12 exclude tobacco intended for use in a hookah or similar smoking device and the  
13 definition of “tobacconist” to exclude retailers that do not derive at least a certain  
14 percentage of revenues from the sale of premium cigars and pipe tobacco; prohibiting  
15 a county clerk from issuing a ~~certain tobacco products retailer~~ tobacconist  
16 license if the location is adjacent to shares a wall with a health care facility or a child care  
17 facility; requiring a certain affidavit to be filed with the clerk of the circuit court  
18 when renewing a tobacconist license; ~~exempting a holder of a certain tobacco~~  
19 ~~products retailer license~~ limiting an exemption for certain retail tobacco businesses  
20 from the Clean Indoor Air Act to licensed tobacconists; ~~requiring the holder of certain~~  
21 ~~licenses to submit an annual report to the Executive Director of the Alcohol, Tobacco,~~  
22 ~~and Cannabis Commission~~ providing that a local alcoholic beverages license held by  
23 a tobacconist shall be converted to a Class C–PCL alcoholic beverages license;  
24 prohibiting a local licensing board from revoking or suspending a converted

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Class C–PCL license under certain circumstances; and generally relating to ~~retail~~  
 2 ~~tobacco~~ tobacconist businesses and alcoholic beverages licenses.

3 BY repealing and reenacting, without amendments,  
 4 Article – Alcoholic Beverages and Cannabis  
 5 Section 4–204  
 6 Annotated Code of Maryland  
 7 (2024 Replacement Volume and 2025 Supplement)

8 BY adding to  
 9 Article – Alcoholic Beverages and Cannabis  
 10 Section 4–1002; and 4–1301 to be under the new subtitle “Subtitle 13. Unlicensed  
 11 Establishments”  
 12 Annotated Code of Maryland  
 13 (2024 Replacement Volume and 2025 Supplement)

14 BY repealing and reenacting, without amendments,  
 15 Article – Business Regulation  
 16 Section 16.5–101(a), (i), (j), and (q)  
 17 Annotated Code of Maryland  
 18 (2024 Replacement Volume and 2025 Supplement)

19 BY repealing and reenacting, with amendments,  
 20 Article – Business Regulation  
 21 Section ~~16.5–204(b)~~ 16.5–101(p) and (t), 16.5–203(b) and (e), 16.5–204(b), and  
 22 16.5–206(c)  
 23 Annotated Code of Maryland  
 24 (2024 Replacement Volume and 2025 Supplement)

25 BY repealing and reenacting, without amendments,  
 26 Article – Health – General  
 27 Section 24–504  
 28 Annotated Code of Maryland  
 29 (2023 Replacement Volume and 2025 Supplement)

30 BY repealing and reenacting, with amendments,  
 31 Article – Health – General  
 32 Section 24–505  
 33 Annotated Code of Maryland  
 34 (2023 Replacement Volume and 2025 Supplement)

35 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 36 That the Laws of Maryland read as follows:

37 **Article – Alcoholic Beverages and Cannabis**

38 4–204.

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

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

6 **4–1002.**

7 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
8 **INDICATED.**

9 (2) ~~“OTHER TOBACCO PRODUCTS” HAS THE MEANING STATED IN §~~  
10 ~~16.5–101 OF THE BUSINESS REGULATION ARTICLE~~ **“SOCIAL EQUITY APPLICANT”**  
11 **MEANS AN APPLICANT FOR A CLASS C–PCL LICENSE THAT HAS AT LEAST 65%**  
12 **OWNERSHIP AND CONTROL HELD BY ONE OR MORE INDIVIDUALS WHO:**

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

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

18 (III) **FOR AT LEAST 2 YEARS, ATTENDED A 4–YEAR INSTITUTION**  
19 **OF HIGHER EDUCATION IN THE STATE WHERE AT LEAST 40% OF THE INDIVIDUALS**  
20 **WHO ATTEND THE INSTITUTION OF HIGHER EDUCATION ARE ELIGIBLE FOR A PELL**  
21 **GRANT.**

22 (3) **“TOBACCONIST” MEANS A RETAIL TOBACCO BUSINESS THAT**  
23 **HOLDS A TOBACCONIST LICENSE UNDER § 16.5–204 OF THE BUSINESS REGULATION**  
24 **ARTICLE.**

25 (B) **THIS SECTION DOES NOT APPLY IN MONTGOMERY COUNTY.**

26 (C) **THERE IS A CLASS C–PCL (PREMIUM CIGAR LOUNGE) LICENSE.**

27 ~~(D)~~ (D) (1) **A LOCAL LICENSING BOARD MAY ISSUE THE LICENSE TO A**  
28 **TOBACCONIST IF:**

29 (I) **THE TOBACCONIST OPERATES AN ESTABLISHMENT IN**  
30 **WHICH PREMIUM CIGARS AND PIPE TOBACCO ARE SOLD AT RETAIL FOR**  
31 **ON–PREMISES AND OFF–PREMISES USE; AND**

1 (II) THE TOBACCONIST MEETS THE REQUIREMENTS OF THIS  
2 SECTION.

3 (2) (I) A LOCAL LICENSING BOARD MAY NOT ISSUE MORE THAN  
4 TWO NEW CLASS C-PCL LICENSES IN A SINGLE JURISDICTION DURING A CALENDAR  
5 YEAR.

6 (II) 1. ~~A~~ SUBJECT TO SUBPARAGRAPHS (III) AND (IV) OF  
7 THIS PARAGRAPH, A LOCAL LICENSING BOARD MAY ISSUE ONE CLASS C-PCL  
8 LICENSE PER 150,000 RESIDENTS OF A COUNTY.

9 ~~(II)~~ 2. IF A COUNTY HAS FEWER THAN 150,000 RESIDENTS, A  
10 LOCAL LICENSING BOARD MAY ISSUE ONE CLASS C-PCL LICENSE IN THE COUNTY.

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

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

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

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

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

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

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

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

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

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

7           ~~(D)~~ **(E) THE LICENSE AUTHORIZES THE HOLDER TO ALLOW A CUSTOMER**  
8 **TO CONSUME ALCOHOLIC BEVERAGES ON THE PREMISES SELL ALCOHOLIC**  
9 **BEVERAGES FOR ON-PREMISES CONSUMPTION MONDAY THROUGH SUNDAY FROM**  
10 **10 A.M. TO 1 A.M. THE FOLLOWING DAY IF:**

11                   ~~(1)~~ **(1) THE ALCOHOLIC BEVERAGES ARE BROUGHT TO THE PREMISES BY**  
12 **THE CUSTOMER;**

13                   ~~(2)~~ **(1) THE CUSTOMER PURCHASES AND CONSUMES A PRODUCT**  
14 **PREMIUM CIGAR OR PIPE TOBACCO SOLD BY THE LICENSE HOLDER DURING THE**  
15 **TIME THE CUSTOMER IS ON THE PREMISES; AND**

16                   ~~(3)~~ **(2) THE LICENSE HOLDER HAS AT LEAST ONE EMPLOYEE**  
17 **PRESENT AND WORKING WHO IS CERTIFIED IN AN ALCOHOL AWARENESS PROGRAM**  
18 **UNDER § 4-505 OF THIS TITLE.**

19                   ~~(E)~~ **(F) (1) THE LICENSED PREMISES IS EXEMPT FROM THE**  
20 **REQUIREMENTS OF THE CLEAN INDOOR AIR ACT UNDER § 24-505 OF THE HEALTH**  
21 **- GENERAL ARTICLE.**

22                   **(2) A LOCAL LICENSING BOARD SHALL REQUIRE:**

23                   **(I) A LICENSE APPLICATION TO INCLUDE A BUILDING PLAN**  
24 **DEMONSTRATING SUFFICIENT DETAILED SPECIFICATIONS FOR AIR FILTRATION**  
25 **SYSTEMS AND EXHAUST SYSTEMS;**

26                   **(II) A LICENSE HOLDER TO DISPLAY IN A CONSPICUOUS PLACE**  
27 **THAT SMOKING IS ALLOWED ON THE PREMISES; AND**

28                   **(III) EACH EMPLOYEE OF A LICENSED ESTABLISHMENT TO SIGN**  
29 **AN ACKNOWLEDGMENT THAT ENUMERATES THE DANGERS OF SECONDHAND SMOKE**  
30 **AND STATES THAT THE EMPLOYEE WILL BE SUBJECTED TO SECONDHAND SMOKE.**

31                   **(3) AN ACKNOWLEDGMENT PROVIDED UNDER PARAGRAPH (2)(III) OF**  
32 **THIS SUBSECTION SHALL STATE THAT THE ACKNOWLEDGMENT DOES NOT**

1 CONSTITUTE A WAIVER OF THE EMPLOYEE'S RIGHTS UNDER FEDERAL, STATE, OR  
 2 LOCAL WORKPLACE SAFETY REGULATIONS.

3 ~~(F)~~ (G) (1) THE LICENSE HOLDER SHALL:

4 ~~(1) HAVE AVERAGE DAILY RECEIPTS FROM THE SALE OF PREMIUM~~  
 5 ~~CIGARS, PIPE TOBACCO, AND RELATED ACCESSORIES THAT ARE AT LEAST 70% OF~~  
 6 ~~THE TOTAL DAILY RECEIPTS FROM THE ESTABLISHMENT; AND~~

7 ~~(2)~~ ANNUALLY SUBMIT TO THE EXECUTIVE DIRECTOR AND THE  
 8 LOCAL LICENSING BOARD, ~~IN A FORM THE EXECUTIVE DIRECTOR REQUIRES, A~~  
 9 ~~SALES RATIO COMPLIANCE REPORT~~ A STATEMENT OF AVERAGE DAILY RECEIPTS  
 10 AND AN AFFIDAVIT OF A CERTIFIED PUBLIC ACCOUNTANT THAT VERIFY THAT THE  
 11 LICENSE HOLDER HAS MET THE REQUIREMENTS OF A TOBACCONIST UNDER §  
 12 16.5-101 OF THE BUSINESS REGULATION ARTICLE.

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

21 (H) A LICENSE HOLDER MAY NOT:

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

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

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

27 (4) OPERATE A COMMERCIAL KITCHEN ON THE LICENSED PREMISES.

28 ~~(C) THE ANNUAL LICENSE FEE IS \$100.~~

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

31 SUBTITLE 13. UNLICENSED ESTABLISHMENTS.

1 4-1301.

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

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

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

7 (III) THAT IS OPEN TO THE PUBLIC.

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

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

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

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

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

22 (3) MAY NOT ALLOW:

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

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

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

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

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

12 (E) THE LOCAL LICENSING BOARD SHALL NOTIFY THE EXECUTIVE  
 13 DIRECTOR OF EACH TOBACCONIST AUTHORIZED TO ALLOW ON–PREMISES  
 14 CONSUMPTION OF ALCOHOLIC BEVERAGES UNDER THIS SECTION.

#### 15 Article – Business Regulation

16 16.5–101.

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

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

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

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

25 1. tobacco; or

26 2. nicotine; or

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

29 (2) “Other tobacco products” includes:

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

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

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

2                   (i)    cigarettes;

3                   (ii)   electronic smoking devices;

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

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

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

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

14           (q)    “Premium cigars” means cigars that:

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

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

20           (t)    “Tobacconist” means an other tobacco products business that derives at least  
21 70% of its revenues, measured by average daily receipts, from the sale of [other tobacco  
22 products] **PREMIUM CIGARS, PIPE TOBACCO, and [tobacco–related] RELATED**  
23 accessories **FOR ON–PREMISES OR OFF–PREMISES CONSUMPTION.**

24   16.5–203.

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

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

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

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

4           (3) The application shall:

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

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

7           (4) **IF AN APPLICANT FOR A LICENSE TO ACT AS A TOBACCONIST**  
8 **INTENDS TO ALLOW ON-PREMISES CONSUMPTION OF PREMIUM CIGARS OR PIPE**  
9 **TOBACCO, THE APPLICANT SHALL INCLUDE WITH THE APPLICATION SUBMITTED**  
10 **UNDER THIS SUBSECTION A BUILDING PLAN DEMONSTRATING DETAILED**  
11 **SPECIFICATIONS FOR AIR FILTRATION SYSTEMS AND EXHAUST SYSTEMS.**

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

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

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

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

22 16.5-204.

23           (b) (1) [The] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
24 **SUBSECTION, THE** clerk of the circuit court shall issue to each applicant who meets the  
25 requirements of this subtitle a license to act as an other tobacco products retailer or a  
26 tobacconist.

27           (2) **THE CLERK MAY NOT ISSUE A LICENSE TO ACT AS A TOBACCONIST**  
28 **UNDER THIS SUBSECTION IF THE PLACE OF BUSINESS LISTED ON THE APPLICATION**  
29 **FOR THE LICENSE ~~IS ADJACENT TO~~ SHARES A WALL WITH A LICENSED HEALTH CARE**  
30 **FACILITY OR LICENSED CHILD CARE FACILITY.**



1 Title 5, Subtitle 5 of the Family Law Article to provide child care, and private vehicles,  
2 unless being used for the public transportation of children, or as part of health care or child  
3 care transportation;

4 (2) A hotel or motel room rented to one or more guests as long as the total  
5 percent of hotel or motel rooms being so used does not exceed 25%;

6 (3) A TOBACCONIST AS DEFINED IN § 16.5-101 OF THE BUSINESS  
7 REGULATION ARTICLE ~~retail tobacco business that is a sole proprietorship, limited~~  
8 ~~liability company, corporation, partnership, or other enterprise, in which:~~

9 (i) ~~The primary activity is the retail sale of tobacco products and~~  
10 ~~accessories; and~~

11 (ii) ~~The sale of other products [is incidental]~~ **CONSTITUTES NOT**  
12 **MORE THAN 30% OF THE RETAIL TOBACCO BUSINESS'S GROSS ANNUAL REVENUE;**

13 (4) Any facility of a manufacturer, importer, wholesaler, or distributor of  
14 tobacco products or of any tobacco leaf dealer or processor in which employees of the  
15 manufacturer, importer, wholesaler, distributor, or processor work or congregate; or

16 (5) A research or educational laboratory for the purpose of conducting  
17 scientific research into the health effects of environmental smoke.

18 **~~(B) THE ALCOHOL, TOBACCO, AND CANNABIS COMMISSION SHALL~~**  
19 **~~MAINTAIN A REGISTRY OF RETAIL TOBACCO BUSINESSES THAT ARE EXEMPT FROM~~**  
20 **~~THIS SUBTITLE IN ACCORDANCE WITH THIS SECTION.~~**

21 SECTION 2. AND BE IT FURTHER ENACTED, That, ~~on or before July 1, 2028, and~~  
22 ~~each July 1 thereafter, a person who holds a license to act as a tobacconist under §~~  
23 ~~16.5-204 of the Business Regulation Article and holds a Class C PCL alcoholic beverages~~  
24 ~~license, as authorized under Section 1 of this Act, shall provide documentation to the~~  
25 ~~Executive Director of the Alcohol, Tobacco, and Cannabis Commission that shows not less~~  
26 ~~than 70% of the annual gross revenue from the business operated under both licenses is~~  
27 ~~derived from the sale of other tobacco products and related accessories;~~

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

35 (b) A local licensing board may not suspend or revoke a converted Class C-PCL  
36 license for noncompliance with sales percentages required under § 16.5-101(t) of the

1 Business Regulation Article, as enacted by Section 1 of this Act, before July 1, 2028, at  
2 which point the license holder shall demonstrate compliance with this Act.

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

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

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

11 SECTION 3. AND BE IT FURTHER ENACTED, That, the Board of License  
12 Commissioners for Howard County and Baltimore County, when issuing a Class C–PCL  
13 license under § 4–1002 of the Alcoholic Beverages and Cannabis Article, as enacted by  
14 Section 1 of this Act, shall give preference to a licensed tobacconist that has been operating  
15 in Howard County and Baltimore County, for at least the 5 years immediately preceding  
16 the effective date of this Act.

17 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
18 2, 2026.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
President of the Senate.

\_\_\_\_\_  
Speaker of the House of Delegates.