

SENATE BILL 623

C2, A1

6lr2156
CF HB 766

By: **Senators Watson and Harris**

Introduced and read first time: February 5, 2026

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge**
3 **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 license;
7 authorizing a local licensing board to issue the license; prohibiting a county clerk
8 from issuing a certain tobacco products retailer license if the location is adjacent to
9 a health care facility or a child care facility; exempting a holder of a certain tobacco
10 products retailer license from the Clean Indoor Air Act; requiring the holder of
11 certain licenses to submit an annual report to the Executive Director of the Alcohol,
12 Tobacco, and Cannabis Commission; and generally relating to retail tobacco
13 businesses and alcoholic beverages licenses.

14 BY adding to
15 Article – Alcoholic Beverages and Cannabis
16 Section 4–1002
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)
22 Annotated Code of Maryland
23 (2024 Replacement Volume and 2025 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Health – General
3 Section 24–505
4 Annotated Code of Maryland
5 (2023 Replacement Volume and 2025 Supplement)

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

8 **Article – Alcoholic Beverages and Cannabis**

9 **4–1002.**

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (2) “OTHER TOBACCO PRODUCTS” HAS THE MEANING STATED IN §
13 16.5–101 OF THE BUSINESS REGULATION ARTICLE.

14 (3) “TOBACCONIST” MEANS A RETAIL TOBACCO BUSINESS THAT
15 HOLDS A TOBACCONIST LICENSE UNDER § 16.5–204 OF THE BUSINESS REGULATION
16 ARTICLE.

17 (B) THERE IS A CLASS C–PCL (PREMIUM CIGAR LOUNGE) LICENSE.

18 (C) (1) A LOCAL LICENSING BOARD MAY ISSUE THE LICENSE TO A
19 TOBACCONIST IF:

20 (I) THE TOBACCONIST OPERATES AN ESTABLISHMENT IN
21 WHICH PREMIUM CIGARS AND PIPE TOBACCO ARE SOLD AT RETAIL FOR
22 ON-PREMISES AND OFF-PREMISES USE; AND

23 (II) THE TOBACCONIST MEETS THE REQUIREMENTS OF THIS
24 SECTION.

25 (2) (I) A LOCAL LICENSING BOARD MAY ISSUE ONE CLASS C–PCL
26 LICENSE PER 150,000 RESIDENTS OF A COUNTY.

27 (II) IF A COUNTY HAS FEWER THAN 150,000 RESIDENTS, A
28 LOCAL LICENSING BOARD MAY ISSUE ONE CLASS C–PCL LICENSE IN THE COUNTY.

1 (D) THE LICENSE AUTHORIZES THE HOLDER TO ALLOW A CUSTOMER TO
2 CONSUME ALCOHOLIC BEVERAGES ON THE PREMISES MONDAY THROUGH SUNDAY
3 FROM 10 A.M. TO 1 A.M. THE FOLLOWING DAY IF:

4 (1) THE ALCOHOLIC BEVERAGES ARE BROUGHT TO THE PREMISES BY
5 THE CUSTOMER;

6 (2) THE CUSTOMER PURCHASES AND CONSUMES A PRODUCT SOLD BY
7 THE LICENSE HOLDER DURING THE TIME THE CUSTOMER IS ON THE PREMISES; AND

8 (3) THE LICENSE HOLDER HAS AT LEAST ONE EMPLOYEE PRESENT
9 AND WORKING WHO IS CERTIFIED IN AN ALCOHOL AWARENESS PROGRAM UNDER §
10 4-505 OF THIS TITLE.

11 (E) (1) THE LICENSED PREMISES IS EXEMPT FROM THE REQUIREMENTS
12 OF THE CLEAN INDOOR AIR ACT UNDER § 24-505 OF THE HEALTH - GENERAL
13 ARTICLE.

14 (2) A LOCAL LICENSING BOARD SHALL REQUIRE:

15 (I) A LICENSE APPLICATION TO INCLUDE A BUILDING PLAN
16 DEMONSTRATING SUFFICIENT AIR FILTRATION AND EXHAUST;

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

19 (III) EACH EMPLOYEE OF A LICENSED ESTABLISHMENT TO SIGN
20 AN ACKNOWLEDGMENT THAT THE EMPLOYEE WILL BE SUBJECTED TO SECONDHAND
21 SMOKE.

22 (F) THE LICENSE HOLDER SHALL:

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

26 (2) ANNUALLY SUBMIT TO THE EXECUTIVE DIRECTOR AND THE
27 LOCAL LICENSING BOARD, IN A FORM THE EXECUTIVE DIRECTOR REQUIRES, A
28 SALES RATIO COMPLIANCE REPORT.

29 (G) THE ANNUAL LICENSE FEE IS \$100.

1 16.5–204.

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

6 (2) THE CLERK MAY NOT ISSUE A LICENSE TO ACT AS A TOBACCONIST
7 UNDER THIS SUBSECTION IF THE PLACE OF BUSINESS LISTED ON THE APPLICATION
8 FOR THE LICENSE IS ADJACENT TO A LICENSED HEALTH CARE FACILITY OR
9 LICENSED CHILD CARE FACILITY.

10 **Article – Health – General**

11 24–504.

12 Except as provided in § 24–505 of this subtitle, beginning on February 1, 2008, a
13 person may not smoke or vape in:

14 (1) An indoor area open to the public;

15 (2) An indoor place in which meetings are open to the public in accordance
16 with Title 3 of the General Provisions Article;

17 (3) A government–owned or government–operated means of mass
18 transportation including buses, vans, trains, taxicabs, and limousines; or

19 (4) An indoor place of employment.

20 24–505.

21 (A) This subtitle does not apply to:

22 (1) Private homes, residences, including residences used as a business or
23 place of employment, unless being used by a person who is licensed or registered under
24 Title 5, Subtitle 5 of the Family Law Article to provide child care, and private vehicles,
25 unless being used for the public transportation of children, or as part of health care or child
26 care transportation;

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

29 (3) A retail tobacco business that is a sole proprietorship, limited liability
30 company, corporation, partnership, or other enterprise, in which:

1 (i) The primary activity is the retail sale of tobacco products and
2 accessories; and

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

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

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

10 (B) THE ALCOHOL, TOBACCO, AND CANNABIS COMMISSION SHALL
11 MAINTAIN A REGISTRY OF RETAIL TOBACCO BUSINESSES THAT ARE EXEMPT FROM
12 THIS SUBTITLE IN ACCORDANCE WITH THIS SECTION.

13 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before July 1, 2028, and
14 each July 1 thereafter, a person who holds a license to act as a tobacconist under §
15 16.5–204 of the Business Regulation Article and holds a Class C–PCL alcoholic beverages
16 license, as authorized under Section 1 of this Act, shall provide documentation to the
17 Executive Director of the Alcohol, Tobacco, and Cannabis Commission that shows not less
18 than 70% of the annual gross revenue from the business operated under both licenses is
19 derived from the sale of other tobacco products and related accessories.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 2, 2026.