

UNOFFICIAL COPY OF HOUSE BILL 1318

HOUSE BILL 1318

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By: **Delegate A. Johnson**  
Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages - Premium Cigar Lounge License - Establishment**  
3 **(Maryland Premium Cigar Lounge Act of 2025)**

4 FOR the purpose of establishing a Class C-PCL (premium cigar lounge) alcoholic beverages  
5 license for use in conjunction with a certain tobacco products retailer license;  
6 authorizing a local licensing board to issue the license; exempting a holder of the  
7 license from the Clean Indoor Air Act; altering a certain period of time during which  
8 a local alcoholic beverages license may not be issued to a certain tobacconist; and  
9 generally relating to premium cigar lounge alcoholic beverages licenses.

10 BY adding to  
11 Article - Alcoholic Beverages and Cannabis  
12 Section 4-1002  
13 Annotated Code of Maryland  
14 (2024 Replacement Volume)

15 BY repealing and reenacting, without amendments,  
16 Article - Health - General  
17 Section 24-504  
18 Annotated Code of Maryland  
19 (2023 Replacement Volume and 2024 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article - Health - General  
22 Section 24-505  
23 Annotated Code of Maryland  
24 (2023 Replacement Volume and 2024 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Chapter 754 of the Acts of the General Assembly of 2024  
27 Section 3

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1 BY repealing and reenacting, with amendments,  
 2 Chapter 755 of the Acts of the General Assembly of 2024  
 3 Section 3

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

6 **Article - Alcoholic Beverages and Cannabis**

7 **4-1002.**

TOBACCONISTS WHO PRIMARILY SELL PREMIUM CIGARS AND PIPE TOBACCO AND POSSESS A LOCAL LIQUOR LICENSE AS OF JULY 1, 2024 MAINTAIN THEIR LOCAL LIQUOR LICENSE AND CAN CONTINUE TO OPERATE UNDER THEIR LOCAL LIQUOR LICENSE.

8 (A) THERE IS A CLASS ~~C-PCL~~ PCL (PREMIUM CIGAR LOUNGE) LICENSE.

9 (B) (1) A LOCAL LICENSING BOARD MAY ISSUE THE LICENSE TO ~~THE~~  
 10 ~~HOLDER OF AN OTHER TOBACCO PRODUCTS RETAILER LICENSE UNDER § 16.5-204~~ A TOBACCONIST AS  
DEFINED IN § 16.5-101  
 11 OF THE BUSINESS REGULATION ARTICLE, IF:

12 (I) THE TOBACCONIST DERIVES AT LEAST 70% OF ITS REVENUE FROM THE SALE OF PREMIUM  
CIGARS, PIPE TOBACCO, AND RELATED ACCESSORIES ;

13 (II) THE ~~HOLDER~~ TOBACCONIST OPERATES AN ESTABLISHMENT IN WHICH  
PREMIUM CIGARS AND PIPE TOBACCO ARE SOLD AT RETAIL FOR ON-PREMISES AND  
 14 OFF-PREMISES USE; AND

15 ~~(H)~~ (III) THE ~~HOLDER~~ THE TOBACCONIST MEETS THE  
REQUIREMENTS OF THIS SECTION.

16 (2) (I) A LOCAL LICENSING BOARD MAY ISSUE ONE CLASS ~~C-PCL~~ PCL  
 17 LICENSE PER 150,000 RESIDENTS OF A COUNTY.

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

(III) THIS PARAGRAPH DOES NOT APPLY IF:

1. THE COUNTY WHERE THE TOBACCONIST OPERATES ADOPTED A  
REGULATION AUTHORIZING PREMIUM CIGAR LOUNGES TO SERVE ALCOHOLIC BEVERAGES PRIOR  
TO JULY 1, 2025; AND

2. THE TOBACCONIST OTHERWISE MEETS THE CRITERIA OF THIS  
SECTION.

20 (C) THE LICENSE AUTHORIZES THE HOLDER TO SELL BEER, WINE, AND  
 21 LIQUOR FOR CONSUMPTION ON THE PREMISES OF THE PREMIUM CIGAR LOUNGE  
 22 MONDAY THROUGH SUNDAY FROM 10 A.M. TO 1 A.M. THE FOLLOWING DAY.

23 (D) (1) THE LICENSED PREMISES IS EXEMPT FROM THE REQUIREMENTS  
 24 OF THE CLEAN INDOOR AIR ACT UNDER § 24-505 OF THE HEALTH - GENERAL  
 25 ARTICLE.

26 (2) A LOCAL LICENSING BOARD SHALL REQUIRE:

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

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

(III) ANY EMPLOYEE OF A LICENSED ESTABLISHMENT TO SIGN  
AN ACKNOWLEDGEMENT THAT THE EMPLOYEE WILL BE SUBJECTED TO  
SECONDHAND SMOKE.

(E) A LICENSED ESTABLISHMENT:

(1) SHALL ALLOW ONLY TOBACCO PRODUCTS PURCHASED FROM THE  
LICENSE HOLDER TO BE CONSUMED ON THE LICENSED PREMISES; AND

(2) MAY SELL PREPACKAGED SNACKS AND SHALL:

(I) ALLOW CUSTOMERS TO BRING PREPARED FOOD ON THE PREMISES;  
AND

(II) ON REQUEST, PROVIDE CUSTOMERS WITH A SELECTION OF LOCAL  
FOOD DELIVERY MENUS.

(F) THE LICENSE HOLDER SHALL:

(1) HAVE AVERAGE DAILY RECEIPTS FROM THE SALE OF PREMIUM  
CIGARS, PIPE TOBACCO, AND RELATED ACCESSORIES THAT ARE AT LEAST 60% OF  
THE TOTAL DAILY RECEIPTS FROM THE ESTABLISHMENT; AND

(2) ANNUALLY SUBMIT TO THE EXECUTIVE DIRECTOR AND THE  
LOCAL LICENSING BOARD, ~~IN A FORM THE EXECUTIVE DIRECTOR REQUIRES, A~~  
~~SALES RATIO COMPLIANCE REPORT~~ A STATEMENT OF AVERAGE DAILY RECEIPTS AND AN AFFIDAVIT OF A  
LICENSED CERTIFIED PUBLIC ACCOUNTANT THAT THE LICENSE HOLDER HAS MET THE REQUIREMENT UNDER  
PARAGRAPH (1) OF  
THIS SUBSECTION.

~~(F)~~ (G) THE ANNUAL LICENSE FEE IS \$2,000.

4-1002.1.

(A) A TOBACCONIST THAT IS NOT LICENSED BY A LOCAL LICENSING BOARD  
MAY ALLOW A CUSTOMER TO CONSUME ALCOHOLIC BEVERAGES ON THE PREMISES FROM 10  
A.M. TO 2 A.M. THE FOLLOWING DAY IF:

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

(2) THE CUSTOMER PURCHASES AND CONSUMES A PRODUCT SOLD BY  
THE TOBACCONIST DURING THE TIME THEY ARE ON THE PREMISES; AND

(3) THE TOBACCONIST HAS AT LEAST ONE EMPLOYEE PRESENT ON THE  
PREMISES WHO HAS COMPLETED ALCOHOL AWARENESS TRAINING UNDER § 4-505 OF THIS  
ARTICLE.

Article - Health - General

24-504.

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

(1) An indoor area open to the public;

(2) An indoor place in which meetings are open to the public in accordance

20 with Title 3 of the General Provisions Article;

21 (3) A government-owned or government-operated means of mass  
22 transportation including buses, vans, trains, taxicabs, and limousines; or

23 (4) An indoor place of employment.

24 24-505.

25 This subtitle does not apply to:

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

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

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

5 (i) **IN WHICH:**

6 **1.** The primary activity is the retail sale of tobacco products  
 7 and accessories; and

8 [(ii)] **2.** The sale of other products is incidental; **OR**

9 **(ii) THAT OPERATES UNDER A CLASS ~~C-PCL~~ PCL(PREMIUM CIGAR**  
 10 **LOUNGE) ALCOHOLIC BEVERAGES LICENSE ISSUED IN ACCORDANCE WITH § 4-1002**  
 11 **OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE;**

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

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

17 **SECTION 2. AND BE IT FURTHER ENACTED,** That the Laws of Maryland read  
 18 as follows:

19 **Chapter 754 of the Acts of 2024**

20 **SECTION 3. AND BE IT FURTHER ENACTED,** That a local alcoholic beverages  
 21 license may not be issued to a tobacconist from July 1, 2024, to [July 1, 2026] **JUNE 30,**  
 22 **2025**, both inclusive.

23 **Chapter 755 of the Acts of 2024**

24 **SECTION 3. AND BE IT FURTHER ENACTED,** That a local alcoholic beverages  
 25 license may not be issued to a tobacconist from July 1, 2024, to [July 1, 2026] **JUNE 30,**  
 26 **2025**, both inclusive.

27 **SECTION 3. AND BE IT FURTHER ENACTED,** That this Act shall take effect July  
 28 1, 2025.