

HB 1318 reprint - sponsor amendments.pdf

Uploaded by: Matthew Bohle

Position: FAV

UNOFFICIAL COPY OF HOUSE BILL 1318

HOUSE BILL 1318

A1

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

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

2

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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.

Maryland Cigar Lounge Act Chart - Expansion.pdf

Uploaded by: Matthew Bohle

Position: FAV

Maryland Cigar Lounge Chart – Expansion Summary

1. **Who can obtain this license:** Cigar lounge license is available to tobacconists who derive 70% of revenue from sales of **premium cigars, pipe tobacco and related accessories**
2. **How many:** 1 licensee per 150k people per county or one per county if less than 150k
3. **Hours:** 10am-1am hours for alcohol sales
4. **Food:** May sell prepackaged snacks and must allow prepared food on premises
5. **60% of sales must be premium cigars, pipe tobacco and related accessories. 40% alcohol sales**
6. **Air filtration and notice:**
 - Air filtration and exhaust is required
 - Signage indicating that smoking is allowed on premises is required
 - Employees required to sign an acknowledgement that they will be subjected to secondhand smoke

PCA Maryland Testimony SB 934 HB 1318.pdf

Uploaded by: Matthew Bohle

Position: FAV



TO: Senate Finance and Economic Matters Committees
FROM: Premium Cigar Association
DATE: February 17, 2025
RE: SB 934/HB 1318 – Maryland Premium Cigar Lounge Act of 2025
Position: **Favorable with sponsor amendments**

On behalf of the Premium Cigar Association, representing forty-one Maryland small businesses, we are pleased to support this legislation to allow for the issuance of special licenses that would enable Maryland tobacconists to sell alcohol in their establishments along with grandfathering in the existing premium cigar sellers who already possess a local liquor license.

Although current law permits Maryland tobacconists to apply for alcohol licenses, county regulation of existing lounges has been inconsistent. A statewide license would provide regulatory clarity and uniformity for a limited number of new lounges. Such a license would allow for new sources of revenue for a narrowly defined class of small businesses that would meet the needs of those that wish to patron such business establishments. Across the country, states and localities are recognizing the need for such exemptions and licenses, given the niche clientele of those that wish to enjoy premium handmade cigars and adult-beverages.

In recent legislative sessions, Connecticut and North Dakota have enacted such bills, with both awarding (cigar bar) permits to a limited number of establishments. Over half of the nation allows for cigar bars (or allowing for premium cigar shops to have a liquor license) or grandfathered in such businesses when enacting smoking restrictions. There is similar pending legislation in New York, Ohio and Wisconsin, as well as planning efforts in Michigan.

Handmade cigars should not be equated with the issues associated with other tobacco products. Independent studies have noted the lack of any statistically relevant association with addiction, inhalation, or mortality. Cigar bars cater to a discerning adult population and are often viewed as a compliment to the local business community, for locals and travelers, alike.

The Premium Cigar Association commends the diligence placed into planning for such a license, and further supports each of the “guardrails” that are under consideration that should “raise the comfort level” with any such proposal.

We appreciate your consideration of our position.

Sincerely,

Glynn Loope, Director of State Advocacy
Premium Cigar Association

PCA_OnePager_Public_Health_2019_02.pdf

Uploaded by: Matthew Bohle

Position: FAV

SETTING THE RECORD STRAIGHT: NIH & FDA DATA ON PREMIUM CIGAR USE AND PUBLIC HEALTH IMPACT



Data from recent government-funded and government-led studies definitively prove that premium cigars are a unique product category that are almost exclusively enjoyed by older adults infrequently.

WHY THIS MATTERS:

PCA used the FDA's comment period as an opportunity to remind the administration that even their own data does not support the regulation of premium cigars. These data points prove why regulating cigars is ineffective in accomplishing that goal.

.02%

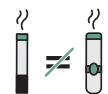
Only **.02%** reported smoking a premium cigar in the past 30 days



Over half (52%) of current premium cigar smokers (25 and older) have a **college degree**—compared to 32% across the US population



The average age of an individual's first premium cigar is **30 years old**—compared to 16.7 years old for cigarettes



There is **no meaningful correlation** between premium cigars and cigarette smoking



The average premium cigar consumer smokes **1.2 days out of every 30**—compared to 29.6 days out of 30 for cigarette smokers



97% of all premium cigar consumers do not smoke daily



No statistically significant increase in risk for smoking related diseases can be found between non-daily premium cigar smokers and non-smokers in general

THE STUDIES:

PATH Study: The Population Assessment of Tobacco and Health (PATH) study is a joint study by the FDA and the National Institutes of Health (NIH) that covers a multi-year cross section of youth and adult. PATH is one of the few government studies that effectively identified and analyzed data specific to premium cigars.

National Longitudinal Mortality (NLM) Study: An article published in the Journal of American Medicine (JAMA) analyzed the NLM study which tracked a population of 350,000 Americans for nearly 3 decades. The article, Association of Cigarette, Cigar, and Pipe Use with Mortality Risk in the US Population, examined the relationship between mortality, risk and use across a range of tobacco products over a population of over 350,00 individuals for nearly 3 decades.

Visit www.cigaraction.org to learn more.

Joint Letter of Opposition - Cigar Bar Bill - HB

Uploaded by: Aleks Casper

Position: UNF

Joint Letter House Bill 1318
House Economic Matters
February 17, 2025
Opposition

Chair Wilson, Vice-Chair Crosby and Members of the House Economic Matters Committee:

Thank you for the opportunity to provide comments on House Bill 1318 – Alcoholic Beverages-Premium Cigar Lounge License – Establishment (Maryland Premium Cigar Lounge Act of 2025) sponsored by Delegate Johnson. The American Lung Association, American Heart Association, Campaign for Tobacco-Free Kids, and the American Cancer Society Cancer Action Network **strongly oppose** this bill as it would provide an exemption to Maryland's smoke-free law.

As written, the proposed legislation significantly undermines the strong smoke-free workplace protections currently in place in Maryland. The proposed legislation allows for the establishment of Cigar Lounges which can also sell beer, wine and liquor across the state. This change would expand businesses that are exempt from the smoke-free law and allow indoor smoking.

This insertion of the ability to apply for both an alcohol and cigar license creates a significant loophole in indoor smoking protections and could allow more places within Maryland to permit smoking that previously did not. If passed the legislation would make it easier to exempt establishments in Maryland from the smoke-free law which weakens decades of progress in preventing exposure to secondhand smoke.

Research has clearly demonstrated that there is no safe level of exposure to toxic secondhand smoke.¹ While ventilation or air purification systems are sometimes promoted as a way to reduce exposure to secondhand smoke, ventilation cannot remove all secondhand smoke and does not purify the air at rates fast enough to protect people from harmful toxins. The U.S. Surgeon General has concluded that even separating smokers from nonsmokers, cleaning the air, and ventilating buildings cannot eliminate exposure of nonsmokers to secondhand smoke. The only effective way to fully protect nonsmokers from exposure to secondhand smoke is to completely eliminate smoking in indoor public spaces.²

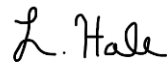
Secondhand smoke is also an occupational hazard for many workers. Job related exposure to secondhand smoke is a significant, but entirely preventable, cause of premature death among U.S. workers. The National Institute of Occupational Health and Safety (NIOSH) and the US Surgeon General found that occupational exposure to secondhand smoke increases workers' risk of lung cancer and other diseases. Patrons were also found to have significantly elevated levels of a tobacco-specific lung carcinogen after a four-hour visit to a casino that allowed smoking.^{3 4} The American Society of Heating, Refrigerating and Air-Conditioning Engineers states that the only way to eliminate indoor exposure to environmental tobacco smoke is to eliminate all indoor smoking activity.

The American Lung Association, American Heart Association, Campaign for Tobacco-Free Kids, and the American Cancer Society Cancer Action Network thank Maryland lawmakers for their continued commitment to the health and wellbeing of the residents of Maryland and the desire to protect Marylanders from exposure to secondhand smoke. The American Lung Association, American Heart Association, Campaign for Tobacco-Free Kids, and American Cancer Society Cancer Action Network **strongly oppose** the legislation before you, House Bill 1318 and would encourage members of the Committee to vote no on this bill and protect Maryland's strong smokefree laws. If you have additional questions, please don't hesitate to contact any of us.

Sincerely,



Aleks Casper
American Lung Association
Director of Advocacy
202-719-2810
aleks.casper@lung.org



Laura Hale
American Heart Association
Director of Government Relations
336-480-4829
laura.hale@heart.org



Kristin Jimison
Campaign for Tobacco-Free Kids
Regional Advocacy Director
804-349-5578
kjimison@tobaccofreekids.org



Lance Kilpatrick
American Cancer Society Cancer Action Network
Government Relations Director
410-547-2143
lance.kilpatrick@cancer.org

¹ U.S. Department of Health and Human Services (HHS). *The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General*. U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, Coordinating Center for Health Promotion, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2006.

² HHS, 2006.

³ Anderson KE, Kliris J, Murphy L, et al (2003). Metabolites of a Tobacco-Specific Lung Carcinogen in Nonsmoking Casino Patrons. *Cancer Epidemiol Biomarkers Prev* 12(12):1544-6.

⁴ Americans for Nonsmokers' Rights. Smokefree Casinos. <https://nonsmokersrights.org/smokefree-casinos>



ACSCAN_OPP_HB1318.pdf

Uploaded by: Lance Kilpatrick

Position: UNF

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House Economic Matters
February 17, 2025
Opposition

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Research has clearly demonstrated that there is no safe level of exposure to toxic secondhand smoke.¹ While ventilation or air purification systems are sometimes promoted as a way to reduce exposure to secondhand smoke, ventilation cannot remove all secondhand smoke and does not purify the air at rates fast enough to protect people from harmful toxins. The U.S. Surgeon General has concluded that even separating smokers from nonsmokers, cleaning the air, and ventilating buildings cannot eliminate exposure of nonsmokers to secondhand smoke. The only effective way to fully protect nonsmokers from exposure to secondhand smoke is to completely eliminate smoking in indoor public spaces.²

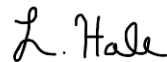
Secondhand smoke is also an occupational hazard for many workers. Job related exposure to secondhand smoke is a significant, but entirely preventable, cause of premature death among U.S. workers. The National Institute of Occupational Health and Safety (NIOSH) and the US Surgeon General found that occupational exposure to secondhand smoke increases workers' risk of lung cancer and other diseases. Patrons were also found to have significantly elevated levels of a tobacco-specific lung carcinogen after a four-hour visit to a casino that allowed smoking.^{3 4} The American Society of Heating, Refrigerating and Air-Conditioning Engineers states that the only way to eliminate indoor exposure to environmental tobacco smoke is to eliminate all indoor smoking activity.

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Joint Letter of Opposition - Cigar Bar Bill - HB

Uploaded by: Laura Hale

Position: UNF

Joint Letter House Bill 1318
House Economic Matters
February 17, 2025
Opposition

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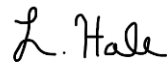
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HB 1318 - FIN - MDH - LOC.docx (1).pdf

Uploaded by: Meghan Lynch

Position: UNF



Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

February 17, 2025

The Honorable C. T. Wilson
Chair, House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401-1991

RE: House Bill (HB) 1318 – Alcoholic Beverages – Premium Cigar Lounge License – Establishment (Maryland Premium Cigar Lounge Act of 2025) – Letter of Concern

Dear Chair Wilson and Committee members:

The Maryland Department of Health (the Department) respectfully submits this letter of concern for House Bill (HB) 1318 – Alcoholic Beverages – Premium Cigar Lounge License – Establishment (Maryland Premium Cigar Lounge Act of 2025). HB 1318, if enacted, establishes a Class C-PCL (Premium Cigar Lounge) License in the Alcoholic Beverages and Cannabis Article. The license may be issued to a holder of an “other tobacco products retailer” license under § 16.5–204 of the Business Regulation Article, if the licensee: (1) sells premium cigars and pipe tobacco at retail for on-premises and off-premises use; (2) has 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 (3) annually submits to the Executive Director and the local licensing board, in a form the Executive Director requires, a sales ratio compliance report. HB 1318 also amends Health-General Article § 24–505 to exempt establishments holding a Class C-PCL license from the Clean Indoor Air Act (CIAA).

Pursuant to HB 238 (2024), the Department convened the Workgroup on the Issuance of Alcoholic Beverages Licenses to Tobacconists to address the specific issue of alcohol licensure for tobacconists. The Department is concerned that it is premature to consider or enact legislation as the Workgroup is still working through policy issues and developing recommendations. The Workgroup is on track to submit a report on its findings and recommendations by July 1, 2025 to the General Assembly as mandated. Additionally, HB 238 (2024) prohibits the issuance of a local alcoholic beverages license to a tobacconist before July 1, 2026.

Notably, the bill contains provisions that concern the Department. HB 1318 would require that tobacconists derive a minimum of 60% of its revenues, measured by average daily sales receipts, from the sale of premium cigars, pipe tobacco, and related accessories. The 60% minimum is lower than the required 70% of revenues defined in Business Regulation Article §16.5-101(t) for tobacconists and is not consistent with the discussions taking place in the Workgroup at this time.

Although HB 1318 amends Health-General § 24-505 to exempt the new Class C-PCL license from the provisions of the CIAA, it does not address the current ambiguities in licensure that led to the creation of the Workgroup during the previous legislative session.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at sarah.case-herron@maryland.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Laura Herrera Scott".

Laura Herrera Scott, M.D., M.P.H.
Secretary

HB1318_RestaurantAssoc_Thompson_UNF.pdf

Uploaded by: Melvin Thompson

Position: UNF



House Bill 1318

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

February 17, 2025

Position: **OPPOSE**

Mr. Chairman and Members of the Economic Matters Committee:

The Restaurant Association of Maryland opposes HB 1318, which would allow for a premium cigar lounge liquor license.

Many of our restaurant bars accommodated smoking customers before Maryland's Clean Indoor Air Act became law in 2008. Given that the General Assembly banned smoking in indoor areas open to the public, including establishments that sell/serve alcohol and other workplaces, it would be unfair and unreasonable to subsequently allow alcohol to be sold/served at establishments where smoking is allowed under the retail tobacco business exemption of the Clean Indoor Air Act.

For this reason, we request an unfavorable report.

Sincerely,

A handwritten signature in black ink, reading "Melvin R. Thompson".

Melvin R. Thompson
Senior Vice President

HB 1318 -MACHO - ECM - LOO.doc.pdf

Uploaded by: State of Maryland (MD)

Position: UNF



**2025 SESSION
POSITION PAPER**

BILL: HB 1318 – Alcoholic Beverages – Premium Cigar Lounge License – Establishment (Maryland Premium Cigar Lounge Act of 2025)
COMMITTEE: House Economic Matters Committee
POSITION: Letter of Opposition
BILL ANALYSIS: HB 1318 would establish a Class C-PCL (premium cigar lounge) alcoholic beverages license for use in conjunction with a certain tobacco products retailer license; authorizing a local licensing board to issue the license; exempting a holder of the license from the Clean Indoor Air Act; and altering a certain period during which a local alcoholic beverages license may not be issued to a certain tobaccoconist.

POSITION RATIONALE: The Maryland Association of County Health Officers (MACHO) submits this letter to express our strong opposition to HB 1318, which would allow cigar lounges to obtain an alcohol license. While MACHO recognizes the importance of supporting the economic potential of local businesses, the proposed bill would directly violate the Clean Indoor Air Act (CIAA) which prohibits the use of tobacco, cannabis, and electronic smoking devices in indoor public spaces except for very limited exceptions. Tobacco-related harms also carry significant economic impact. According to the Centers for Disease Control, smoking-related healthcare costs in Maryland exceed \$2.7 billion dollars annually.¹

The negative impacts of secondhand smoke are well documented. Since 1964, approximately 2.5 million people who did not smoke died from health problems caused by secondhand smoke exposure.² Among adults who do not smoke, secondhand smoke causes nearly 34,000 premature deaths from heart disease in the US each year.² In addition to heart disease, adults who do not smoke have a 20- 30% higher risk of developing lung cancer or suffering a stroke.² Non-smoking workers who are regularly exposed to tobacco smoke are 50% more likely to develop lung cancer.³

Since its passage in 2007, the CIAA has helped to limit Maryland residents' exposure to secondhand smoke and reduced the risk of harm associated with tobacco use. The proposed bill would effectively gut the protections created by the CIAA and put employees and consumers at risk for tobacco-related harms. In addition to the public health impact, enforcement of the bill would largely fall to local health departments, adding an additional burden to agencies that are already significantly resource limited.

For these reasons, MACHO respectfully submits this letter of opposition. For more information, please contact Ruth Maiorana, MACHO Executive Director at rmaiora1@jhu.edu or 410-937-1433. *This communication reflects the position of MACHO.*

References:

1. U.S. Centers for Disease Control. Best Practices for Comprehensive Tobacco Control Programs-2014. <https://www.cdc.gov/tobacco/stateandcommunity/guides/pdfs/2014/states/maryland.pdf>
2. U.S. Dept of Health and Human Services. The Health Consequences of Smoking—50 Years of Progress: A Report of the Surgeon General. U.S. Dept of Health and Human Services; 2014.
3. Akter, S., Islam, M. R., Rahman, M. M., Rouyard, T., Nsashiyi, R. S., Hossain, F., & Nakamura, R. (2023). Evaluation of population-level tobacco control interventions and health outcomes: a systematic review and meta-analysis. JAMA Network Open, 6(7), e2322341-e2322341.