



ATCC

Alcohol, Tobacco, and Cannabis Commission

Wes Moore
Governor

Aruna K. Miller
Lt. Governor

Jeffrey A. Kelly
Executive Director

February 25, 2026

BILL: SB0623 - Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026)

COMMITTEE: Senate Finance

POSITION: Letter of Information

RE: Letter of Information: SB0623 - Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026)

Dear Chair Beidle, Vice Chair Hayes and Members of the Senate Finance Committee:

I write on behalf of the Alcohol, Tobacco, and Cannabis Commission (ATCC), to provide this Letter of Information regarding SB0623 – Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026).

The ATCC notes that the General Assembly recently considered this policy area through Chapters 754 and 755 of 2024 (SB 244/HB 238) – Public Health – Clean Indoor Air Act - Revisions, enacted in 2024. That legislation:

1. Imposed a moratorium on local licensing boards issuing alcoholic beverage licenses to tobaccoists; and
2. Established a Workgroup to study the issuance of alcoholic beverage licenses to tobaccoists and to evaluate appropriate regulatory and enforcement structures.

The Workgroup consisted of representatives from the Maryland Department of Health, the Premium Cigar and Pipe Tobacco Industry, Delegates Carl Jackson and Steven J. Arentz, and Senators Clarence K. Lam and Ronald L. Watson, and myself on behalf of the ATCC. The Workgroup met throughout the fall of 2024 and into the spring of 2025. In July 2025, the Workgroup published a report cataloging its study and making several recommendations regarding how tobaccoists holding alcoholic beverage licenses should be properly licensed, regulated, and monitored for compliance.¹

¹ Maryland Department of Health, *Issuance of Alcoholic Beverages Licenses to Tobaccoists: Workgroup Findings, Chapter 754, Section 2, the Acts of 2024* (July 2025), [https://dlslibrary.state.md.us/publications/Exec/MDH/Ch755Ch754\(2\)\(2024\).pdf](https://dlslibrary.state.md.us/publications/Exec/MDH/Ch755Ch754(2)(2024).pdf).

As currently drafted, SB0623 represents an incomplete attempt to establish a regulatory framework for licensing and providing oversight of tobaccoconists authorized to serve alcoholic beverages. Specifically, the bill:

- Does not clearly define the term “tobaccoconist”;
- Does not establish a pathway for licensure for pre-existing tobaccoconists that currently hold alcoholic beverage licenses;
- Creates a registration and tracking system for licensed tobaccoconists that may be confusing to administer and enforce; and
- Establishes a receipts protocol that is insufficient to reliably verify that tobaccoconists meet required sales thresholds.

As a participant in the Workgroup, the ATCC is supportive of its findings, recommendations, and work product. SB0623, as introduced, does not align with the recommendations set forth in the Workgroup’s July 2025 report. The ATCC believes that the findings of the Workgroup would create a reasonable path forward for current tobaccoconists that hold an alcoholic beverages license.

However, the ATCC understands that the bill sponsor has requested amendments intended to incorporate a number of the Workgroup’s recommendations. The ATCC would encourage amendments that more closely align with the Workgroup’s recommendations and provide a clearer, more enforceable regulatory structure.

On behalf of the ATCC, we would like to thank the Committee for their time and consideration of the ATCC’s Letter of Information regarding SB0623 – Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026).

The ATCC remains available to provide technical assistance or further information at the Committee’s request. I am available to answer any questions or concerns that you may have related to this Letter of Information on this piece of legislation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "JA Kelly". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jeffrey A. Kelly
Executive Director
Alcohol, Tobacco, and Cannabis Commission of Maryland