

# **Cigar Lounge Expansion - Summary Chart.pdf**

Uploaded by: Matthew Bohle

Position: FAV

# Maryland Cigar Lounge Chart – Expansion Summary

1. **Who can obtain this license:** Premium 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 licenses can be awarded:** 1 licensee per 150k people per county or one per county if less than 150k
3. **Hours for alcohol sales:** 10am-1am
4. **70% of sales must be premium cigars, pipe tobacco and related accessories. Up to 30% alcohol sales**
5. **Safeguards:**
  - Air filtration and exhaust is required
  - Signage in a conspicuous place indicating that smoking is allowed on premises
  - Employees required to sign an acknowledgement that they will be subjected to secondhand smoke
  - Requires lounges to have employee present and working who is certified in an alcohol awareness training program

Permits BYO for tobacconists who do not hold a local liquor license with guardrails in place

# **Issuance of Alcoholic Beverages Licenses to Tobacc**

Uploaded by: Matthew Bohle

Position: FAV

**Issuance of Alcoholic Beverages Licenses to Tobacconists  
Workgroup Findings**

Chapter 754, Sec. 2, the Acts of 2024

Maryland Department of Health

**July 2025**

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## Executive Summary

This report is a summary of the findings and recommendations of the Workgroup on the Issuance of Alcoholic Beverages Licenses to Tobacconists pursuant to Chapter 754 of the Acts of 2024, House Bill (HB) 238/Senate Bill (SB) 244. The Maryland Department of Health (MDH) convened the Workgroup to assess the tobacconist license requirements and current regulatory environment.

The Workgroup met monthly from September 2024 to May 2025; a total of ten times. At these meetings, the Workgroup discussed the public health and economic implications of issuing alcoholic beverage licenses to tobacconists. Major recommendations from the Workgroup include:

1. **Definitions and Scope**: The statutory definition of a tobacconist should specify that at least 70% of its revenues, measured by average daily receipts, are derived from the sale of premium cigars, pipe tobacco, and related accessories to align with the original legislative intentions of the license. In addition, MDH should define in its Clean Indoor Air Act (CIAA) regulations the term “incidental” products, which are supplemental to the primary sale of premium cigar and pipe tobacco, as no more than 30% of gross annual revenue to align with the tobacconist definition.
2. **Alcohol Licensing and Permitting**: Tobacconists should be permitted to obtain an on-site consumption alcoholic beverage license, as determined by the local liquor boards. For tracking purposes, a statewide bring-your-own (BYO) beverage license should be created for tobacconists that allow BYO, as it currently varies by jurisdiction, and there is no mechanism for tracking across the State.
3. **Regulation and Enforcement**: The State should create a registry of businesses operating under the CIAA exemption, to be managed by the Alcohol, Tobacco, and Cannabis Commission (ATCC). Existing tobacco retailers who are licensed to sell alcoholic beverages for on-site consumption should be given a two-year period to comply with the recommended tobacconist license requirements. This two-year period would begin after the updated tobacconist definition is adopted in statute. Properties adjacent to a healthcare or childcare/child-related facility should not be permitted to obtain a tobacconist license. Licensed tobacconist facilities that permit indoor smoking should be required to display signage indicating that smoking is allowed indoors.

## Workgroup Members

The Maryland Department of Health (MDH) would like to thank each member of the Workgroup on the Issuance of Alcoholic Beverages Licenses to Tobacconists for their time and dedication to assuring clarity and consistency across the State in the regulation and enforcement of the CIAA.

The Workgroup was composed of the following members:

Two Senators designated by the President of the Senate	Clarence K. Lam, M.D. Ronald L. Watson, Ph.D.
Two Delegates designated by the Speaker of the House	Carl W. Jackson <sup>1</sup> Steven J. Arentz
One Representative from the Alcohol, Tobacco, and Cannabis Commission	Jeffrey A. Kelly
One Representative from the Maryland Department of Health	Nilesh Kalyanaraman, MD, FACP
One Representative from a cigar retailers trade association	Finnie Pecunes Helmuth

The Workgroup would like to recognize the efforts of MDH staff on this group and report:

Deputy Director, Environmental Health Bureau	Suhba Chandar, MPH
Health Policy Analyst, Office of Support Services	Victoria Marte-Tiburcio
Health Policy Analyst, Office of Support Services	Christopher McGrath
Director, Environmental Health Bureau	Clifford Mitchell, MS, MD, MPH
Director, Center for Tobacco Prevention and Control	Dana Moncrief, MHS, CHES
Health Policy Analyst, Center for Tobacco Prevention and Control	Alexandra Nowalk, MPH, CPH
Director, Office of Support Services	Jody Sheely, MPH

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<sup>1</sup> Delegate Jackson transitioned to the Senate in February 2025. As a result, his term on the Workgroup ended prior to the Workgroup's conclusion.

## Introduction

The Clean Indoor Air Act (CIAA), enacted in 2007, prohibits smoking in indoor areas open to the public with limited exceptions. The purpose of the CIAA is to protect the public, employees, and consumers from involuntary exposure to environmental tobacco, cannabis, or hemp smoke in public indoor areas, indoor places of employment, and certain designated private areas. CIAA also allows local jurisdictions to enact and enforce “more stringent measures to reduce involuntary exposure to environmental smoke.”<sup>2</sup>

However, pursuant to Health-General §24-505(3), an exemption allows for tobacco smoking in a “retail tobacco business...in which (i) [t]he primary activity is the retail sale of tobacco products and accessories; and (ii) [t]he sale of other products is incidental.” The Maryland Department of Health (MDH) and local health departments (LHDs) are responsible under the law and regulation for the investigation of complaints and issuance of violations of the CIAA in indoor areas open to the public, while Maryland Occupational Safety and Health (MOSH) in the Department of Labor (DOL) is responsible for enforcement in indoor workplace areas that are not open to the public.

In Maryland, the retail sale of tobacco products requires cigarette, other tobacco products (OTP), tobacconist, or electronic smoking devices (ESD) licensure issued by the local clerks of the court. “Tobacconist” is defined in the Business Regulation Article §16.5-101(t) as “an other tobacco products business that derives at least 70% of its revenues, measured by average daily receipts, from the sale of other tobacco products and tobacco-related accessories.”<sup>3</sup> As of January 2025, there are approximately 200 establishments holding a tobacconist license in Maryland.<sup>4</sup> The Comptroller audits licensed businesses to ensure compliance with the statutory requirements in collaboration with the Alcohol, Tobacco, and Cannabis Commission (ATCC).

Retail alcohol licenses are issued by the local boards of license commissioners who regulate the sale of alcohol to consumers within their jurisdiction in accordance with State law and local regulation. Enforcement of licensed retailers is a shared responsibility of the issuing local board and the ATCC.

Chapter 755 of the Acts of 2024 (HB 238 / SB 244) required MDH to convene a workgroup to study the issuance of alcoholic beverages licenses to tobacconists, and issued a moratorium on

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<sup>2</sup> “Health - General Article §24–509.” Maryland General Assembly, [mgaleg.maryland.gov/mgaweb/Laws/StatuteText?article=ghg&ion=24-509&enactments=False&archived=False](https://mgaleg.maryland.gov/mgaweb/Laws/StatuteText?article=ghg&ion=24-509&enactments=False&archived=False). Accessed 23 May 2025.

<sup>3</sup> “Business Regulation Article §16.5-10.” Maryland General Assembly, <https://mgaleg.maryland.gov/mgaweb/Laws/StatuteText?article=gbr&section=16.5-101&enactments=false>. Accessed 17 June 2025.

<sup>4</sup> Tobacconist Business Audit. Reported by the Alcohol, Tobacco, and Cannabis Commission, January 2025.

the issuance of local alcoholic beverage licenses to tobacconists from July 1, 2024, to July 1, 2026.

## Workgroup Meetings

The Workgroup on the Issuance of Alcoholic Beverages Licenses to Tobacconists (Workgroup) met monthly from September 2024 through May 2025 (see Figure 1). The Workgroup held its first meeting at the MDH offices in Baltimore, MD, with an option for virtual participation. The subsequent meetings were held virtually to ensure greater accessibility for the Workgroup members and the public. The Workgroup agendas, minutes, and recordings are publicly available on the MDH Workgroup on the Issuance of Alcoholic Beverages Licenses to Tobacconists webpage in compliance with the Maryland Open Meetings Act.<sup>5</sup>

**Figure 1:** Workgroup on the Issuance of Alcoholic Beverages Licenses to Tobacconists Meeting Dates and Descriptions - Summary Table

Meeting Date	Description of Meeting
09/18/2024	The Workgroup discussed the mandates of the legislation, background on the Clean Indoor Air Act of 2007, and Workgroup priorities.
10/17/2024	Jeff Kelly, Executive Director of the Alcohol, Tobacco, and Cannabis Commission; Lisa Laschalt, Director of Environmental Health, Charles County Health Department; and Kathleen Hoke, Professor at the University of Maryland Center for Public Health Law, presented on retail tobacco licensure, regulatory enforcement, and public health implications, respectively.
11/21/2024	The Workgroup discussed laws across the U.S. that permit cigar smoking indoors and considered various recommendation options.
12/12/2024	The Workgroup invited Connecticut Cigar Company owner, Nick Casinelli, to speak on his experience as a cigar retailer since the passing of Connecticut's CIAA exemption for cigar bars in June 2023. The Workgroup discussed the recommendation options including hours of alcohol sales, ventilation requirements, employee health insurance, and license quotas.

<sup>5</sup> “Workgroup on Issuance of Alcoholic Beverages Licenses to Tobacconists.” Maryland.gov, 2024, [health.maryland.gov/phpa/OEHFP/EH/Pages/Workgroup-on-Issuance-of-Alcoholic-Beverages-Licenses-to-Tobacconists.aspx](https://health.maryland.gov/phpa/OEHFP/EH/Pages/Workgroup-on-Issuance-of-Alcoholic-Beverages-Licenses-to-Tobacconists.aspx). Accessed 8 May 2025.

01/17/2025	The Workgroup discussed the health risks associated with the co-consumption of alcohol and tobacco.
02/10/2025	The Workgroup refined its recommendations and discussed other legislative considerations.
03/24/2025	The Workgroup discussed whether local authorities should determine the number of licenses permitted by jurisdiction. Members also explored issues related to ventilation and stand-alone buildings requirements.
04/28/2025	The Workgroup reviewed scientific literature on ventilation in indoor smoking environments and discussed final recommendations.
5/19/2025	The Workgroup reviewed the draft report and finalized recommendations.
5/28/2025	The Workgroup voted to adopt the final report.

**Findings**

*Cigar Lounge Exemptions in Other States*

Twenty-eight states and Washington D.C. have passed comprehensive state clean indoor air laws, creating smoke-free environments in bars, restaurants, and workplaces. Twenty-five of these states allow exemptions for smoking cigars indoors, with incidental rates ranging from 10% (DC, IN, MI, NY, and SD) to 60% (CT).<sup>6</sup>

Incidental rates refer to the percentage of gross annual revenue, measured by average daily receipts, that is derived from products that are supplemental to the business’ primary sale of cigars. In several states, including Delaware, Illinois, New Jersey, and Ohio, efforts to pass similar legislation have failed. An estimated nine states, including Colorado, Connecticut, Massachusetts, Michigan, Nebraska, New Hampshire, New Mexico, North Carolina, Pennsylvania, and Rhode Island, along with the District of Columbia, allow on-site alcohol consumption in certain licensed indoor smoking facilities, with some restricting alcohol licensing for facilities opened after a specific date.<sup>7</sup> In 2023, Connecticut and North Dakota became the

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<sup>6</sup> Cigar Bar Statute in Other States. Reported by the Legal Resource Center for Public Health Policy, University of Maryland Francis King Carey School of Law, December 2024.

<sup>7</sup> Ibid.

only states in recent years to successfully pass legislation creating an exemption for cigar bars.<sup>8,9</sup> Several municipalities, including Louisville, Kentucky, have passed ordinances allowing cigar smoking in cigar bars as defined by state law.<sup>10</sup>

### *Ambiguities in Maryland's Clean Indoor Air Act*

Maryland's CIAA statute and pursuant regulations do not define the terms “retail tobacco business,” “primary activity,” “accessories,” or “incidental” in the tobacco retailer exemption for indoor smoking. Additionally, while there is no specific prohibition against tobacco retailers selling alcoholic beverages in the CIAA, Health-General §24-501(h)(2) specifically defines an “indoor area open to the public” as “[a]n indoor area of any establishment licensed or permitted under the Alcoholic Beverages and Cannabis Article for the sale or possession of alcoholic beverages,” to prohibit smoking and vaping in bars, restaurants, and other indoor public places that serve alcohol.

MDH's Center for Tobacco Prevention and Control informed the Workgroup that, as of July 2024, there are approximately 13 tobacco retailers in the State known to be operating under the CIAA exemption with an alcoholic beverage license for on-site consumption.<sup>11</sup> Some jurisdictions have interpreted the CIAA to permit the sale of alcohol as an “incidental” product under the tobacco retailers exemption (§24-505(3)), while other jurisdictions have not. As noted above, Business Regulation §16.5-101(t) defines a “tobacconist” as one in which a minimum of 70% of the sales are from other tobacco products and tobacco-related accessories. Although the Workgroup discussed whether alcohol could be considered a tobacco-related accessory, that view was not endorsed by a majority of the Workgroup.

In contrast to the 70% revenue requirement for “tobacconists,” there is no numerical definition of “incidental” sales in the CIAA. The only working definition of “incidental” exists within the local jurisdiction of Baltimore City, which has adopted a requirement that a retail tobacco establishment must “derive[s] at least 75% of its revenues, measured by average daily receipts, from the sale of non-cigarette tobacco products.”<sup>12</sup>

The Workgroup initially explored the practice of BYO as an alternative to alcohol licensure for CIAA-exempt facilities. This practice is currently observed in some tobacco retailer

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<sup>8</sup> Public Act No. 23-103. Vol. Substitute Senate Bill No. 905, 2023, [www.cga.ct.gov/2023/act/pa/pdf/2023PA-00103-R00SB-00905-PA.pdf](http://www.cga.ct.gov/2023/act/pa/pdf/2023PA-00103-R00SB-00905-PA.pdf). Accessed 12 Mar. 2025.

<sup>9</sup> House Bill 1229. North Dakota Legislative Branch, 2025, [ndlegis.gov/assembly/68-2023/regular/bill-overview/bo1229.html](http://ndlegis.gov/assembly/68-2023/regular/bill-overview/bo1229.html). Accessed 21 May 2025.

<sup>10</sup> “Metro Council Meeting Highlights for Thursday, March 27.” LouisvilleKY.gov, 2025, [louisvilleky.gov/news/metro-council-meeting-highlights-thursday-march-27](http://louisvilleky.gov/news/metro-council-meeting-highlights-thursday-march-27). Accessed 21 May 2025.

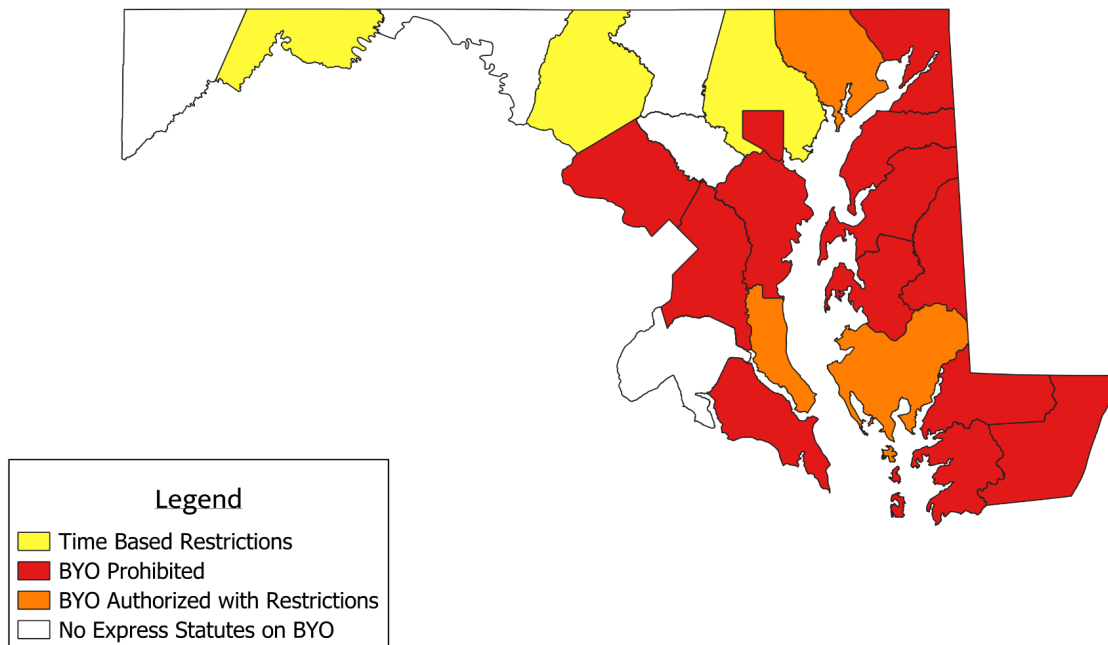
<sup>11</sup> Cigar Bars. Reported by the Maryland Department of Health, July 2024.

<sup>12</sup> Baltimore City Health Code § 12-106. Exceptions – General. | City of Baltimore Law Library. [Baltimorecity.gov](http://Baltimorecity.gov), 2025, [codes.baltimorecity.gov/us/md/cities/baltimore/code/health/12-106#\(7\)](http://codes.baltimorecity.gov/us/md/cities/baltimore/code/health/12-106#(7)). Accessed 8 May 2025.

establishments. The Alcoholic Beverages and Cannabis Article §§6–308, 6-319, and 6-402 prohibit licensed businesses from permitting an individual to consume alcoholic beverages that were not purchased on the premise from the license holder; however Maryland statute does not explicitly address the allowance of BYO in non-licensed facilities.

BYO statute varies by jurisdiction (see Figure 2). BYO is prohibited in Anne Arundel, Caroline, Cecil, Kent, Montgomery, Prince George’s, Queen Anne’s, Somerset, St. Mary’s, Talbot, Wicomico, and Worcester counties, and Baltimore City. Time-based restrictions are enforced in Allegany, Baltimore, and Fredrick counties, limiting the hours in which alcohol consumption is allowed for certain facilities. BYO is permitted with restrictions based on other criteria in Calvert, Dorchester, and Harford counties. Carroll, Charles, Garrett, Howard, and Washington counties have no statute pertaining to BYO.

**Figure 2:** County-Level BYO Alcohol Restrictions in the Alcoholic Beverages and Cannabis Article



*Data Source: BYO Statute by County. ATCC, Nov. 2024.*

The Workgroup considered the economic implication of BYO as an alternative to alcohol licensure, and recognized that the prohibition of alcohol licensure could have a negative impact on local business activity for licensed tobaccoists who have built their business models around the sale of alcohol.

### *Secondhand Smoke Exposure and Associated Health Risks*

The Workgroup also explored the public health implications associated with alcohol and tobacco co-use. Alcohol sales and on-site consumption may prolong smoking activities or exposure to secondhand smoke (SHS) for both customer and employee concerns, which raised concerns about the effects of prolonged exposure. SHS exposure occurs in these environments when an individual inhales smoke that is a byproduct of cigars or pipes being lit, smoked, and exhaled by others. When a cigar or pipe is smoked, high concentrations of cancer-causing agents are released into the air. According to the Centers for Disease Control and Prevention (CDC), eliminating indoor smoking is the only safe way to prevent SHS exposure.<sup>13</sup>

### *Regulatory Concerns*

Currently, tobacconists are defined in Business Regulation §16.5-101(t) as a tobacco business that derives at least 70% of its revenues from the sale of OTP, which includes cigars, premium cigars, pipe tobacco, chewing tobacco, snuff, snus, filters, rolling papers, pipes, and hookahs. Originally, the tobacconist license was intended for premium cigar and pipe tobacco retailers to obtain products difficult to source in the standard OTP market. The changes in the type, variety, and prevalence of OTP in recent years have expanded the types and numbers of tobacco businesses that qualify for a tobacconist license in ways that diverge from the original legislative intentions.

### *Ventilation and Building Characteristics of Retail Tobacco Establishments*

The Workgroup also discussed ventilation as a possible means to limit exposures, while acknowledging that ventilation could not completely prevent exposures to SHS in indoor areas where smoking was taking place. MDH's Environmental Health Bureau conducted a review of studies and identified none that specifically evaluated the effectiveness of improved ventilation on SHS exposure in retail tobacco facilities. However, a 2023 position statement by the American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) concluded:

- “The building and its systems can reduce only odor and discomfort but cannot eliminate exposure when smoking is allowed inside or near a building.”
- “Even when all practical means of separation and isolation of smoking areas are employed, adverse health effects from exposure in non-smoking spaces in the same building cannot be eliminated.”

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<sup>13</sup> Centers for Disease Control and Prevention. “Secondhand Smoke.” [www.cdc.gov](http://www.cdc.gov), 15 May 2024, [www.cdc.gov/tobacco/secondhand-smoke/index.html](http://www.cdc.gov/tobacco/secondhand-smoke/index.html). Accessed 7 May 2025.

- “Neither dilution ventilation, air distribution (e.g., “air curtains”) nor air cleaning can be relied upon to control ETS exposure.”<sup>14</sup>

The lack of studies on the effectiveness of ventilation in indoor smoking environments prompted a Workgroup discussion about limiting alcohol sales to tobacconist facilities located in stand-alone buildings, in order to minimize the possibility of SHS exposure to other occupants of shared facilities. Members of the Workgroup highlighted that the limitation would impose a burden on tobacconists who had entered into multi-year leases in retail facilities, and does not fully consider the challenges of acquiring suitable or available stand-alone facilities.

#### *Tobacco and Alcohol License Enforcement Authority and Penalties for Violations*

Retail tobacco licenses, while they are State licenses, are issued by the clerks of local courts upon submission of an application and the payment of the current fee of \$300. There are no specific licensing criteria or requirements that must be met to obtain a retail tobacco license, nor are there any pre-approval inspections prior to issuing a license. For the enforcement of the requirements of the license, ATCC conducts inspections of these facilities. If ATCC suspects the retailer is in violation of the requirements of their tobacco license, the ATCC agent may issue a criminal citation to the offender and may refer the business for an ATCC administrative hearing. For findings of fact that a violation did occur, the ATCC hearing officer issues a warning, a reprimand, a license suspension, or a license revocation. Complaints about potential CIAA violations in publicly accessible locations are referred to and investigated by LHDs. Penalties for violations under the CIAA range from a written reprimand for an initial violation, up to a civil penalty of \$1,000 for repeated violations.<sup>15</sup>

For tobacco retailers who are licensed to sell alcohol, local liquor boards and the ATCC are jointly responsible for enforcing the statutory requirements of the alcohol license. When a retailer applies for an alcohol license, the retailer must meet the criteria outlined in statute and regulations which is then verified by the local liquor board prior to the issuance. When the ATCC, which is further granted warrantless access to licensed alcohol retail facilities to conduct inspections and ensure compliance with the requirements of the license, identifies suspected violations, the agent will submit a detailed report to the issuing authority and serve as a witness in court proceedings if a hearing is held. As the issuing authority, local liquor boards may provide a warning to the tobacco retailer, revoke their license, or deny renewal.

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<sup>14</sup> ASHRAE Position Document on Environmental Tobacco Smoke. 28 June 2023, [www.ashrae.org/file%20library/about/position%20documents/pd\\_environmental-tobacco-smoke-2023-06-28.pdf](http://www.ashrae.org/file%20library/about/position%20documents/pd_environmental-tobacco-smoke-2023-06-28.pdf). Accessed 7 May 2025.

<sup>15</sup> Prohibition of Smoking in Indoor Areas Open to the Public | Code of Maryland Regulations (COMAR) 10.19.04.07 - 10.19.04.10.

## Recommendations

After extensive consideration and deliberation, the Workgroup proposes the following recommendations:

### *Definitions and Scope*

1. Adopt in statute a definition of tobacconist that specifies at least 70% of its revenues are derived from the sale of premium cigars, pipe tobacco, and related products (not including cigarettes, other tobacco products, or electronic smoking devices) to align license requirements with its original legislative intentions. Alcohol sales should not be considered in the category of “related products.”
2. Direct MDH to define the term “incidental” in Code of Maryland Regulations (COMAR) 10.19.04.02 as no more than 30% of revenues based on average daily receipts of tobacco retailers to align with the tobacconist definition.
3. Clarify that only products sold by the retailer can be smoked on-site in licensed tobacconist facilities. The smoking of cigarettes and vaping would be prohibited within the facility.

### *Alcohol Licensing and Permitting*

4. Create a statewide BYO license for tobacconists issued by the local liquor boards to track the number of tobacconists operating with BYO. The local liquor boards should notify the ATCC of any issuance.
5. Clarify that licensed tobacconists are allowed to obtain an on-site consumption alcoholic beverage license or BYO license without contravening the existing indoor smoking ban for bars and restaurants.
6. Prohibit tobacco retailers from receiving an on-site consumption alcoholic beverage license if they do not meet the new definition of a tobacconist, which requires at least 70% of its revenues are derived from the sale of premium cigars, pipe tobacco, and related products.

### *Regulation and Enforcement*

7. Allow existing tobacco retailers who are licensed to sell alcohol for on-site consumption but do not meet the proposed tobacconist requirements to:
  - a. Be given a two-year period to comply with the tobacconists requirements; or
  - b. Be subject to the revocation or denied renewal of their tobacconist license.

8. Create a registry of licensed tobacconists operating lawfully under the CIAA exemption managed by ATCC. New businesses applying for a license and existing businesses using the two-year compliance period to meet the new license criteria should be required to register immediately with the ATCC.
9. Require licensed facilities operating under the CIAA exemption to display signage indicating that smoking is allowed indoors.
10. Prohibit individuals under the age of 21 to enter licensed tobacconist facilities.
11. Prohibit tobacconist licensing for properties directly adjacent to a healthcare or childcare/child-related facility.

## **Conclusion**

Clarifying definitions in Maryland statute and regulations is essential to the effective and consistent enforcement of tobacconist license requirements. Clear licensing criteria and tracking mechanisms for retail businesses operating under the CIAA exemption would ensure consistent and uniform enforcement across the State. The Workgroup's recommendations support this objective by reconciling the CIAA with the statutory definition of a tobacconist, and introducing methods to track CIAA-exempt businesses. Additionally, the Workgroup proposes clear signage to notify the public that smoking is occurring, prohibiting tobacconists from operating near health and child-related facilities, and prohibiting individuals under the age of 21 from entering tobacconist establishments. These measures would strengthen enforcement by establishing clear criteria and protecting public health, while minimizing the impact on existing tobacconists.

# MD County 150k Chart.pdf

Uploaded by: Matthew Bohle

Position: FAV

<b>County</b>	<b>2020 Census Population</b>	<b>2020 Units (1 per 150k)</b>
Allegany County	68,106	1
Anne Arundel County	588,261	4
Baltimore County	854,535	6
Calvert County	92,783	1
Caroline County	33,293	1
Carroll County	172,891	2
Cecil County	103,725	1
Charles County	166,617	2
Dorchester County	32,531	1
Frederick County	271,717	2
Garrett County	28,806	1
Harford County	260,924	2
Howard County	332,317	3
Kent County	19,198	1
Montgomery County	1,062,061	8
Prince George's County	967,201	7
Queen Anne's County	49,874	1
St. Mary's County	113,777	1
Somerset County	24,620	1
Talbot County	37,526	1
Washington County	154,705	2
Wicomico County	103,588	1
Worcester County	52,460	1
<b>Total</b>		<b>51</b>

Data from the Maryland Department of Planning (MSDC)  
and the U.S. Census Bureau

**PCA letter on premium cigars.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%**

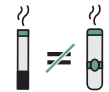
Only **.02%** reported smoking a premium cigar in the past 30 days



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](http://www.cigaraction.org) to learn more.

**SB623 2-23-2026 LOSwAmend.pdf**

Uploaded by: Heather Moritz

Position: FWA



Affiliate of The Maryland Association of Counties, Inc.

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February 23, 2026

TO: Members of the Finance Committee

FROM: Maryland Conference of Local Environmental Health Directors

**RE: SB 623 Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026)**

The Maryland Conference of Local Environmental Health Directors (Conference) offers this Letter of Support with Amendments for SB 623. In their capacity as the State's twenty-four Environmental Health Directors, the Conference executes delegated authorities from the Maryland Department of Health (MDH). One of these delegated duties is the approval of Food Service Facility Licenses.

The Conference proposes the following amendment:

Page 2: After Line 20 include the following language:

(III): Is not a Licensed Food Service Facility as per Health General 21-301

Additionally, the Conference is concerned that retail tobacco licensed facilities not meeting the definition of a tobacconist as defined in this Bill are currently being issued local liquor licenses.

Therefore, the Conference provides this Letter of Support with Amendments for SB 623. If you have further questions concerning this written testimony, please contact:

For more information:

Conference Contact:

Michael Davis, President

Maryland Conference of Local Environmental Health Directors

Phone: (410)313-2651

Email: [mjdavis@howardcountymd.gov](mailto:mjdavis@howardcountymd.gov)

# **SB623\_FinalReprint**

Uploaded by: Senator Watson

Position: FWA

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

14 BY adding to

15 Article – Alcoholic Beverages and Cannabis

16 Section 4–1002; and 4–1301 to be under the new subtitle “Subtitle 13. Unlicensed  
Establishments”

17 Annotated Code of Maryland

18 (2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article - Business Regulation

Section 16.5–101(a), (i), (j), and (q)

Annotated Code of Maryland

(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 16.5–206(c)

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



2 REPRINT OF SENATE BILL 623 as amended by SB0623/323225/1 02/23/26 at 3:54 PM

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.

3 REPRINT OF SENATE BILL 623 as amended by SB0623/323225/1 02/23/26 at 3:54 PM

1 (D) THE LICENSE AUTHORIZES THE HOLDER TO ~~ALLOW A CUSTOMER TO~~  
 2 ~~CONSUME ALCOHOLIC BEVERAGES ON THE PREMISES~~ SELL ALCOHOLIC BEVERAGES FOR ON-PREMISES  
 3 CONSUMPTION MONDAY THROUGH SUNDAY  
 4 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)~~ (1) THE CUSTOMER PURCHASES AND CONSUMES A ~~PRODUCT~~ PREMIUM CIGAR OR PIPE  
 7 TOBACCO SOLD BY  
 8 THE LICENSE HOLDER DURING THE TIME THE CUSTOMER IS ON THE PREMISES; AND

8 ~~(3)~~ (2) 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~~ DETAILED SPECIFICATIONS FOR AIR FILTRATION SYSTEMS AND EXHAUST  
 17 SYSTEMS;

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~~ A STATEMENT OF AVERAGE DAILY RECEIPTS AND AN AFFIDAVIT OF A  
 29 CERTIFIED PUBLIC ACCOUNTANT THAT VERIFY THAT THE LICENSE HOLDER HAS MET THE REQUIREMENTS OF A  
 30 TOBACCONIST UNDER § 16.5-101 OF THE BUSINESS REGULATION ARTICLE.

29 (G) THE ANNUAL LICENSE FEE IS ~~\$100~~ \$500.

SUBTITLE 13. UNLICENSED ESTABLISHMENTS.

4-1301.

(A) THIS SECTION APPLIES TO A TOBACCONIST:

(1) THAT ALLOWS ON-PREMISES CONSUMPTION OF PREMIUM CIGARS AND PIPE  
 31 TOBACCO;

(2) THAT DOES NOT HOLD AN ALCOHOLIC BEVERAGES LICENSE; AND

(3) THAT IS OPEN TO THE PUBLIC.

(B) A LOCAL LICENSING BOARD MAY AUTHORIZE THE OWNER OR OPERATOR OF A

TOBACCONIST TO ALLOW A CUSTOMER WHO IS AT LEAST 21 YEARS OLD TO BRING ALCOHOLIC BEVERAGES ONTO THE PREMISES FOR PERSONAL CONSUMPTION, PROVIDED THE CUSTOMER CONCURRENTLY BUYS AND CONSUMES TOBACCO PRODUCTS.

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

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

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

(3) MAY NOT ALLOW:

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

(II) A CUSTOMER TO DISTURB THE PEACE, SAFETY, AND WELFARE OF THE COMMUNITY.

30

### Article – Business Regulation

16.5-101.

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

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

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

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

1. tobacco; or

2. nicotine; or

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

(2) “Other tobacco products” includes:

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

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

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

(i) cigarettes;

(ii) electronic smoking devices;

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

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

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

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

(q) "Premium cigars" means cigars that:

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

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

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

16.5-203.

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

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

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

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

(3) The application shall:

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

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

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

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

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

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

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~~ SHARES A WALL WITH A LICENSED HEALTH CARE FACILITY OR  
 9 LICENSED CHILD CARE FACILITY.

16.5-206.

(c) Before a license issued under this subtitle expires, the licensee may  
 renew it for an additional 1-year term, if the licensee:

(1) otherwise is entitled to be licensed;

(2) submits to the issuing official a renewal application on the form  
 that the issuing official requires; [and]

(3) pays to the issuing official the license fee required under § 16.  
 5-203 of this subtitle; AND

(4) IS RENEWING A LICENSE TO ACT AS A TOBACCONIST AND THE LICENSEE  
 FILES WITH THE CLERK OF THE CIRCUIT COURT A STATEMENT OF AVERAGE DAILY RECEIPTS AND  
 AN AFFIDAVIT OF A LICENSED CERTIFIED PUBLIC ACCOUNTANT THAT VERIFY THE LICENSEE HAS  
 MET THE REQUIREMENTS OF A TOBACCONIST.

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~~

5 REPRINT OF SENATE BILL 623 as amended by SB0623/323225/1 02/23/26 at 3:54 PM

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 TOBACCONIST AS DEFINED IN~~  
5 ~~§ 16.5-101 OF THE BUSINESS REGULATION ARTICLE;~~

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

8 (5) A research or educational laboratory for the purpose of conducting  
9 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;~~

(a) Any local alcoholic beverages license held by a tobacconist prior to  
July 1, 2024, shall be converted to a Class C-PCL license under § 4-1002 of the  
Alcoholic Beverages and Cannabis Article, as enacted by Section 1 of this Act.

(b) A local licensing board may not suspend or revoke a converted Class  
C-PCL license for noncompliance with sales percentages required under § 16.5-101(t)  
of the Business Regulation Article, as enacted by Section 1 of this Act, before July  
1, 2028, at which point the license holder shall demonstrate compliance with this  
Act.

(c) A local licensing board shall count any Class C-PCL license converted under this  
section toward the total number of licenses allowed in a single jurisdiction under § 4-1002(c)  
of the Alcoholic Beverages and Cannabis Article, as enacted by Section 1 of this Act.

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

# **SB623\_SponsorAmendment**

Uploaded by: Senator Watson

Position: FWA



**SB0623/323225/1**

AMENDMENTS  
PREPARED  
BY THE  
DEPT. OF LEGISLATIVE  
SERVICES

23 FEB 26  
15:55:17

BY: Senator Watson  
(To be offered in the Finance Committee)

AMENDMENTS TO SENATE BILL 623  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Retail Tobacco**” and substitute “**Tobacconist**”; in line 6, strike “certain tobacco products retailer” and substitute “tobacconist”; in line 7, after “license,” insert “providing that a local licensing board may authorize the owner or operator of a tobacconist that does not hold an alcoholic beverages license to allow the consumption of alcoholic beverages on the premises under certain circumstances; altering, for purposes of requirements for other tobacco products business licenses, the definition of “pipe tobacco” to exclude tobacco intended for use in a hookah or similar smoking device and the definition of “tobacconist” to exclude retailers that do not derive at least a certain percentage of revenues from the sale of premium cigars and pipe tobacco;”; in line 8, strike “certain tobacco products retailer” and substitute “tobacconist”; in the same line, strike “is adjacent to” and substitute “shares a wall with”; in line 9, after “facility,” insert “requiring a certain affidavit to be filed with the clerk of the circuit court when renewing a tobacconist license;”; strike beginning with “exempting” in line 9 down through “license” in line 10 and substitute “limiting an exemption for certain retail tobacco businesses”; in line 10, after “Act” insert “to licensed tobacconists”; strike beginning with “requiring” in line 10 down through “Commission” in line 12 and substitute “providing that a local alcoholic beverages license held by a tobacconist shall be converted to a Class C–PCL alcoholic beverages license; prohibiting a local licensing board from revoking or suspending a converted Class C–PCL license under certain circumstances”; in line 12, strike “retail tobacco” and substitute “tobacconist”; in line 16, after “4–1002” insert “; and 4–1301 to be under the new subtitle “Subtitle 13. Unlicensed Establishments””; after line 18, insert:

“BY repealing and reenacting, without amendments,  
Article - Business Regulation”

Section 16.5–101(a), (i), (j), and (q)  
Annotated Code of Maryland  
(2024 Replacement Volume and 2025 Supplement)”;

and in line 21, strike “16.5–204(b)” and substitute “16.5–101(p) and (t), 16.5–203(b) and (e), 16.5–204(b), and 16.5–206(c)”.

#### AMENDMENT NO. 2

On page 3, strike beginning with “ALLOW” in line 1 down through “PREMISES” in line 2 and substitute “SELL ALCOHOLIC BEVERAGES FOR ON–PREMISES CONSUMPTION”; strike in their entirety lines 4 and 5; in lines 6 and 8, strike “(2)” and “(3)”, respectively, and substitute “(1)” and “(2)”, respectively; in line 6, strike “PRODUCT” and substitute “PREMIUM CIGAR OR PIPE TOBACCO”; in line 7, strike “DURING THE TIME THE CUSTOMER IS ON THE PREMISES”; in line 16, strike “SUFFICIENT” and substitute “DETAILED SPECIFICATIONS FOR”; in the same line, after “FILTRATION” insert “SYSTEMS”; in the same line, after “EXHAUST” insert “SYSTEMS”; strike beginning with the colon in line 22 down through “(2)” in line 26; strike beginning with the first comma in line 27 down through “REPORT” in line 28 and substitute “A STATEMENT OF AVERAGE DAILY RECEIPTS AND AN AFFIDAVIT OF A CERTIFIED PUBLIC ACCOUNTANT THAT VERIFY THAT THE LICENSE HOLDER HAS MET THE REQUIREMENTS OF A TOBACCONIST UNDER § 16.5–101 OF THE BUSINESS REGULATION ARTICLE”; in line 29, strike “\$100” and substitute “\$500”; after line 29, insert:

“SUBTITLE 13. UNLICENSED ESTABLISHMENTS.

4–1301.

(A) THIS SECTION APPLIES TO A TOBACCONIST:

(1) THAT ALLOWS ON-PREMISES CONSUMPTION OF PREMIUM CIGARS AND PIPE TOBACCO;

(2) THAT DOES NOT HOLD AN ALCOHOLIC BEVERAGES LICENSE;  
AND

(3) THAT IS OPEN TO THE PUBLIC.

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

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

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

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

(3) MAY NOT ALLOW:

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

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

and after line 30, insert:

“16.5–101.

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

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

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

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

1. tobacco; or

2. nicotine; or

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

(2) “Other tobacco products” includes:

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

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

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

(i) cigarettes;

(ii) electronic smoking devices;

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

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

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

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

(q) “Premium cigars” means cigars that:

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

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

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

16.5-203.

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

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

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

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

(3) The application shall:

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

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

**(4) IF AN APPLICANT FOR A LICENSE TO ACT AS A TOBACCONIST INTENDS TO ALLOW ON-PREMISES CONSUMPTION OF PREMIUM CIGARS OR PIPE TOBACCO, THE APPLICANT SHALL INCLUDE WITH THE APPLICATION SUBMITTED**

UNDER THIS SUBSECTION A BUILDING PLAN DEMONSTRATING DETAILED SPECIFICATIONS FOR AIR FILTRATION SYSTEMS AND EXHAUST SYSTEMS.

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

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

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

On page 4, in line 8, strike “IS ADJACENT TO” and substitute “SHARES A WALL WITH”; after line 9, insert:

“16.5–206.

(c) Before a license issued under this subtitle expires, the licensee may renew it for an additional 1–year term, if the licensee:

(1) otherwise is entitled to be licensed;

(2) submits to the issuing official a renewal application on the form that the issuing official requires; [and]

(3) pays to the issuing official the license fee required under § 16.5–203 of this subtitle; AND

**(4) IS RENEWING A LICENSE TO ACT AS A TOBACCONIST AND THE LICENSEE FILES WITH THE CLERK OF THE CIRCUIT COURT A STATEMENT OF AVERAGE DAILY RECEIPTS AND AN AFFIDAVIT OF A LICENSED CERTIFIED PUBLIC ACCOUNTANT THAT VERIFY THE LICENSEE HAS MET THE REQUIREMENTS OF A TOBACCONIST.**”;

in line 21, strike “(A)”.

On pages 4 and 5, strike beginning with “retail” in line 29 on page 4 down through “REVENUE” in line 4 on page 5 and substitute “**TOBACCONIST AS DEFINED IN § 16.5–101 OF THE BUSINESS REGULATION ARTICLE**”.

On page 5, strike in their entirety lines 10 through 12, inclusive; and strike beginning with the second comma in line 13 down through “accessories” in line 19 and substitute “:

(a) Any local alcoholic beverages license held by a tobacconist prior to July 1, 2024, shall be converted to a Class C–PCL license under § 4-1002 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 1 of this Act.

(b) A local licensing board may not suspend or revoke a converted Class C–PCL license for noncompliance with sales percentages required under § 16.5–101(t) of the Business Regulation Article, as enacted by Section 1 of this Act, before July 1, 2028, at which point the license holder shall demonstrate compliance with this Act.

(c) A local licensing board shall count any Class C–PCL license converted under this section toward the total number of licenses allowed in a single jurisdiction under § 4–1002(c) of the Alcoholic Beverages and Cannabis Article, as enacted by Section 1 of this Act.”.

**SB0623\_FWA\_MSLBA\_Retail Tobacco Bus. & Est. Premiu**

Uploaded by: Steve Wise

Position: FWA



**MARYLAND STATE  
LICENSED BEVERAGE ASSOCIATION**

150 E Main Street, Suite 104, Westminster, MD 21157

Senate Finance Committee

February 25, 2026

Senate Bill 623 – *Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge  
Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026)*

**POSITION: SUPPORT WITH AMENDMENT**

The Maryland State Licensed Beverage Association (MSLBA), which consists of approximately 850 Maryland businesses holding alcoholic beverage licenses (restaurants, bars, taverns, and package stores), **supports with amendment** Senate Bill 623.

Senate Bill 623 establishes an alcoholic beverage license that would be available to cigar lounges throughout the State, subject to certain limitations. MSLBA has traditionally opposed this legislation, but believes that this bill, with some additional safeguards added to it, strikes a reasonable balance and resolves the varying legal interpretations across various counties on whether cigar bars can obtain alcoholic beverage licenses.

MSLBA urges adoption of amendments that make clear that any license application under this statute is still subject to the normal procedures regarding the issuance of alcohol beverage licenses found in Title 4 of the Alcohol Beverage Article. These include the factors that a local liquor board must consider when issuing the license, provisions governing renewal of the license, and so forth. The bill implies that these provisions are applicable, given that the new language appears in this same title, but a cross-reference to that effect would make it clearer.

With amendments to this effect, MSLBA supports Senate Bill 623.

**For more information call:**

J. Steven Wise  
Danna L. Kauffman  
Andrew G. Vetter  
410-244-7000

# **Joint Letter of Opposition - SB623 Cigar Bar Bill**

Uploaded by: Aleks Casper

Position: UNF



## Joint Letter Senate Bill 623

Finance

February 16, 2026

Opposition

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

Thank you for the opportunity to provide comments on Senate Bill 623 – Retail Tobacco Business & Establishment of Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026) sponsored by Senator Watson. 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.<sup>1</sup> 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.<sup>2</sup>

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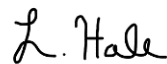
Secondhand smoke is also an occupational hazard for many workers. Job related exposure to secondhand smoke is a significant, but entirely preventable, cause of premature death among U.S. workers. The National Institute of Occupational Health and Safety (NIOSH) and the US Surgeon General found that occupational 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.<sup>3 4</sup> 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. Requesting that an employee sign a waiver acknowledging their exposure is not acceptable.

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, Senate Bill 623 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  
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<sup>1</sup> 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.

<sup>2</sup> HHS, 2006.

<sup>3</sup> 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.

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



# **SB623-Testimony.pdf**

Uploaded by: Charles Debnam

Position: UNF

**TESTIMONY OF  
Charles Debnam  
African American Tobacco Control Leadership Council  
BEFORE THE MARYLAND SENATE FINANCE COMMITTEE**

**February 25, 2026**

Chair and Members of the Senate Finance Committee:

Good afternoon. My name is Charles Debnam, and I am testifying today on behalf of the African American Tobacco Control Leadership Council in strong opposition to Senate Bill 623, the Maryland Premium Cigar Lounge Act of 2026.

AATCLC works to eliminate the unequal burden of tobacco-related disease in Black communities and to advance policies that protect all people from the harms of commercial tobacco. From that perspective, SB623 represents a significant step backward for public health, worker safety, and health equity.

First, this legislation weakens Maryland's clean indoor air protections by creating new exemptions that allow indoor cigar smoking in designated lounge settings. These protections exist for a reason to safeguard workers and the public from secondhand smoke exposure, which is known to cause serious cardiovascular and respiratory disease. Employees in cigar lounges should not be required to breathe toxic smoke as a condition of employment. No business model should depend on exposing workers to known health hazards.

Second, SB623 expands and normalizes environments that promote combustible tobacco use. Premium cigar lounges are designed for consumption. They encourage prolonged smoking, social reinforcement of tobacco use, and increased exposure to harmful emissions. At a time when Maryland continues to invest in tobacco prevention and cessation, creating new venues centered on smoking sends a conflicting and harmful public health message.

Third, and critically, this bill raises serious health equity concerns. The tobacco industry has a long and well-documented history of targeting Black communities with aggressive marketing of tobacco products, particularly flavored and menthol products. As a result, Black Americans experience disproportionately high rates of tobacco-related disease and death. Policies that expand tobacco consumption environments especially those that combine smoking with alcohol service risk deepening disparities that public health leaders across the country are working to eliminate.

Fourth, SB623 creates regulatory inconsistency and undermines the integrity of public health law. Clean indoor air protections are most effective when they are clear, uniform, and consistently enforced. Carving out new exemptions for certain establishments creates confusion, weakens compliance, and erodes the public health foundation Maryland has built over decades.

Maryland has been a leader in protecting residents from secondhand smoke and advancing health equity. This bill moves in the opposite direction. Public health policy should reduce exposure to harmful products do not expand the places where they are consumed.

For these reasons, the African American Tobacco Control Leadership Council respectfully urges the Committee to oppose Senate Bill 623 and maintain Maryland's commitment to clean air, worker protection, and health equity for all communities.

Thank you for your time and consideration. I am happy to answer any questions.

Charles Debnam  
DC Representative  
African American Tobacco Control Leadership Council  
[www.savingblacklives.org](http://www.savingblacklives.org)

**testimony SB 623 Cigar Bar MDDCSAM UNFAV.pdf**

Uploaded by: Joseph Adams, MD

Position: UNF



*MDDCSAM is the Maryland state chapter of the American Society of Addiction Medicine whose members are physicians and other health providers who treat people with substance use disorders.*

## **SB 623 UNFAVORABLE**

Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License  
Senate Finance Committee. Hearing: February 23, 2026

Greetings Chair Wells and members of the committee

This bill would make exceptions, for the first time, to Maryland's landmark Clean Indoor Air Act (CIAA) of 2007. **This law has provided basic workplace protections for all Maryland workers.**

**Many Maryland workers do not want to be exposed to second-hand smoke (SHS), may develop mild or severe symptoms from it (e.g., an asthma attack that can lead to hospitalization or worse), have certain health conditions such as heart or lung disease, prefer not to increase their risk of heart disease, stroke, cancer, <sup>1</sup> premature death, <sup>2</sup> and possibly Alzheimer's disease, <sup>3</sup> know they are pregnant, do not know they are pregnant, and who may not have the option of finding another job.**

Also, as a public health measure, clean indoor air protections in Maryland have led to robust declines in tobacco use disorder more effectively than efforts prohibiting tobacco sales to minors. **When smoke-free air rules were implemented leading up to the law's enactment, between 1998 and 2010, the smoking rate in Maryland declined by 32%, double the national average. <sup>4</sup>**

We respectfully an unfavorable report.

Joseph Adams, MD, FASAM, Addiction & Internal Medicine, Co-Chair, MDDCSAM Public Policy Committee

## **REFERENCES:**

1. (Note that secondhand smoke has been determined by the EPA to be a Class A (known human) carcinogen since 1992, with no safe level of exposure).  
Respiratory Health Effects of Passive Smoking: Lung Cancer and Other Disorders. U.S. Environmental Protection Agency. U.S. Environmental Protection Agency. Respiratory Health Effects of Passive Smoking: Lung Cancer and Other Disorders. EPA/600/6-90/006F, 1992.

2. The U.S. Surgeon General. **Occupational exposure to secondhand smoke is a significant cause of premature death among U.S. workers.** U.S. Department of Health and Human Services. *The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General.* 2006
3. Geto AK et al., The association between air pollution and cognitive impairment: a systematic review and meta- analysis of global studies. Systematic Review. October 2025. BMC Public Health 25, 3548 Volume 25, article number 3548, (2025)
4. Source: Preamble, HOUSE BILL 108 of 2015 in the Maryland General Assembly  
[https://mgaleg.maryland.gov/2015RS/bills/hb/hb0108F.pdf?utm\\_source=chatgpt.com](https://mgaleg.maryland.gov/2015RS/bills/hb/hb0108F.pdf?utm_source=chatgpt.com)

# **SB 623 - Maryland Premium Cigar Lounge Act of 2026**

Uploaded by: Kathryn Feeley

Position: UNF



February 23, 2026

The Honorable Pamela Beidle  
Chair, Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

**RE: SB 623 - Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026)**

Dear Chair Beidle:

The Maryland State Council on Cancer Control (“the Council”) submits this letter of concern for Senate Bill 623 (“SB 623”), titled: “Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026).” SB 623, as drafted, would establish a license to allow for the consumption of alcoholic beverages in conjunction with cigar smoking on the same premises, including alcoholic beverages brought onto the premises by patrons. This license would then operate as an exception to the Clean Indoor Air Act (“CIAA”).

**Background: The Clean Indoor Air Act**

In 2007, the Maryland General Assembly passed the CIAA. The CIAA adopted minimum comprehensive and uniform statewide protections from exposure to secondhand smoke in places of employment and public places, including, but not limited to, stores, restaurants, and bars.

The CIAA defines “Smoking” to include “the burning of a lighted cigarette, **cigar**, pipe, or other substance that contains tobacco.” The CIAA further defines “Indoor area open to the public” to include “an indoor area of any establishment licensed . . . **for the sale of alcoholic beverages**.” With certain exceptions, the CIAA unequivocally prohibits “smoking” in “an indoor area open to the public.” Notably, SB 623 permits this exposure in places of employment, raising particular concern for workers who may be subjected to secondhand smoke as a condition of employment.

**Impact of SB 623 on Statewide Public Health Protections**

The Council is concerned that SB 623 erodes the protection of the CIAA. Indeed, based upon the language highlighted above and the proposed amendment to the CIAA, SB 623 will effectively eliminate current protection from second-hand smoke emitted by cigars in licensed establishments across Maryland. Moreover, SB 623 establishes a statewide framework authorizing local licensing boards to issue premium cigar lounge licenses, thereby normalizing exemptions from the Clean Indoor Air Act and further undermining



its uniform statewide protections. Additionally, the Council is concerned that future legislation could extend the license contemplated by SB 623 to other types of tobacco products.

### **Cancer Prevention and Secondhand Smoke Exposure**

Although SB 623 limits alcohol service to beverages brought onto the premises by patrons, this distinction does not mitigate the bill's impact on exposure to secondhand cigar smoke or its erosion of the Clean Indoor Air Act's cancer-prevention protections. Unquestionably, the CIAA has reduced exposure in Maryland to the carcinogens of secondhand smoke. Further, there is a clear causal relationship between the carcinogens of secondhand smoke and lung cancer, and links between secondhand smoke and other cancers.

As a result, SB 623 seeks to reverse protections of the CIAA and establishes a framework that may facilitate further rollbacks of longstanding public health safeguards. Preserving the integrity of the Clean Indoor Air Act remains essential to protecting Maryland residents and workers from preventable cancer risks.

As the State Council is tasked with identifying policies to reduce the cancer burden in Maryland, the Council submits this letter of concern.

Sincerely,

A handwritten signature in blue ink, appearing to read "Taofeek Owonikoko".

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Taofeek Owonikoko, MD  
Chair  
Maryland State Council on Cancer Control

# **Joint Letter of Opposition - SB623 Cigar Bar Bill**

Uploaded by: Laura Hale

Position: UNF



## Joint Letter Senate Bill 623

Finance

February 16, 2026

Opposition

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

Thank you for the opportunity to provide comments on Senate Bill 623 – Retail Tobacco Business & Establishment of Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026) sponsored by Senator Watson. 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.<sup>1</sup> 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.<sup>2</sup>

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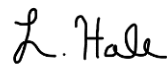
Secondhand smoke is also an occupational hazard for many workers. Job related exposure to secondhand smoke is a significant, but entirely preventable, cause of premature death among U.S. workers. The National Institute of Occupational Health and Safety (NIOSH) and the US Surgeon General found that occupational 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.<sup>3 4</sup> 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. Requesting that an employee sign a waiver acknowledging their exposure is not acceptable.

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, Senate Bill 623 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  
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Campaign for Tobacco-Free Kids  
Regional Advocacy Director  
804-349-5578  
[kjimison@tobaccofreekids.org](mailto:kjimison@tobaccofreekids.org)



Lance Kilpatrick  
American Cancer Society Cancer Action Network  
Government Relations Director  
410-547-2143  
[lance.kilpatrick@cancer.org](mailto:lance.kilpatrick@cancer.org)

<sup>1</sup> 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.

<sup>2</sup> HHS, 2006.

<sup>3</sup> 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.

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



**SB623\_RestaurantAssoc\_Thompson\_UNF.pdf**

Uploaded by: Melvin Thompson

Position: UNF



## Senate Bill 623

### Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026)

February 25, 2026

Position: **OPPOSE**

Madame Chair and Members of the Finance Committee:

The Restaurant Association of Maryland opposes Senate Bill 623, 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 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.

As the bill is drafted, it is unclear whether other local liquor laws/regulations would also apply to these licensees, or whether a local liquor board could deny such a license application.

And if such a licensed premium cigar lounge was allowed to have pool tables, a jukebox, or other entertainment, it would essentially be the same type of operation as a bar before smoking was banned.

We recently learned that this bill is likely to be amended. We hope to work with the bill sponsors and other stakeholders to address our concerns.

Sincerely,

A handwritten signature in black ink that reads "Melvin R. Thompson". The signature is written in a cursive style and is followed by a long horizontal line.

Melvin R. Thompson  
Senior Vice President

# **ATCC - LOI - SB0623 - Maryland Premium Cigar Loung**

Uploaded by: Andrew Garrison

Position: INFO



# 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 tobacconists; and
2. Established a Workgroup to study the issuance of alcoholic beverage licenses to tobacconists 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 tobacconists holding alcoholic beverage licenses should be properly licensed, regulated, and monitored for compliance.<sup>1</sup>

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<sup>1</sup> Maryland Department of Health, *Issuance of Alcoholic Beverages Licenses to Tobacconists: 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 tobacconists authorized to serve alcoholic beverages. Specifically, the bill:

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



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

**SB 623 - FIN - MDH - LOI.docx.pdf**

Uploaded by: Meghan Lynch

Position: INFO



Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary

February 25, 2026

The Honorable Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401-1991

**RE: Senate Bill 623 – Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026) – Letter of Information**

Dear Chair Beidle and Committee members:

The Maryland Department of Health (the Department) respectfully submits this letter of information for Senate Bill (SB) 623 – Retail Tobacco Businesses and Establishment of a Premium Cigar Lounge Alcoholic Beverages License (Maryland Premium Cigar Lounge Act of 2026). SB 623 creates a new Class C-CPL alcoholic beverage license for certain licensed tobacconists to operate as premium cigar lounges; establishes licensing and business requirements, including a “bring-your-own” (BYO) beverage model; and creates an exemption for certain businesses in the Maryland Clean Indoor Air Act (CIAA).

Pursuant to Chapter 754 of the Acts of 2024 (House Bill [HB] 238/SB 244), the Department convened a Workgroup on the Issuance of Alcoholic Beverages Licenses to Tobacconists (the Workgroup) that met monthly from September 2024 through May 2025 to study the public health and economic implications of issuing alcoholic beverages licenses to tobacconists. A tobacconist is currently defined as “an other tobacco products business that derives at least 70% of its revenues, measured by average daily receipts, from the sale of other tobacco products and tobacco-related accessories.”<sup>1</sup> HB 238/SB 244 also placed a moratorium on issuing such licenses to tobacconists through June 30, 2026.

The Department has created the below side-by-side table of the recommendations the Workgroup included in their final report to the Governor and General Assembly compared with the provisions of SB 623.

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<sup>1</sup> Md. Ann. Code Business Regulation Art., § 16.5-101(t) (2025).

Workgroup Recommendations <sup>2</sup>	SB 623
<p>Adopt in statute a definition of tobacconist that specifies at least 70% of its revenues are derived from the sale of premium cigars, pipe tobacco, and related products (not including cigarettes, electronic smoking devices, or other tobacco products such as hookah, chewing tobacco, snus, little cigars/cigarillos, or nicotine pouches) to align license requirements with its original legislative intentions. Alcohol sales should not be considered in the category of “related products.”</p>	<p>Excludes alcohol from “related products”, but does not change the statutory definition of tobacconist in Business Regulation Article §16.5-101(t).</p>
<p>Direct MDH to define the term “incidental” in Code of Maryland Regulations (COMAR) 10.19.04.02 as no more than 30% of revenues based on average daily receipts of tobacco retailers to align with the tobacconist definition.</p>	<p>Amends Health-General Article §24-505 (i.e., CIAA statute) with the recommended ratio.</p>
<p>Clarify that only products sold by the retailer can be smoked on-site in licensed tobacconist facilities. The smoking of cigarettes and vaping would be prohibited within the facility.</p>	<p>Requires that “the customer purchases and consumes a product sold by the license holder during the time the customer is on the premises”. No exclusion of smoking cigarettes or vaping.</p>
<p>Create a statewide BYO license for tobacconists issued by the local liquor boards to track the number of tobacconists operating with BYO. The local liquor boards should notify the ATCC of any issuance.</p>	<p>Allows BYO under the new C-PCL license; does not specifically track BYO as a separate statewide license. Authorizes a statewide registry in Health-General, but does not require reporting by local liquor boards in the Alcoholic Beverages Article.</p>
<p>Clarify that licensed tobacconists are allowed to obtain an on-site consumption alcoholic beverage license or BYO license without contravening the existing indoor smoking ban for bars and restaurants.</p>	<p>Included.</p>

<sup>2</sup> Maryland Department of Health, “Issuance of Alcoholic Beverages Licenses to Tobacconists Workgroup Findings,” July 2025, Maryland Department of Health, 13 Feb 2026  
 <[https://dlslibrary.state.md.us/publications/Exec/MDH/Ch755Ch754\(2\)\(2024\).pdf](https://dlslibrary.state.md.us/publications/Exec/MDH/Ch755Ch754(2)(2024).pdf)>

Workgroup Recommendations <sup>2</sup>	SB 623
Prohibit tobacco retailers from receiving an on-site consumption alcoholic beverage license if they do not meet the new definition of a tobacconist, which requires at least 70% of its revenues are derived from the sale of premium cigars, pipe tobacco, and related products.	New definition of tobacconist not included, but restriction that 70% of sales must be related to premium cigars, pipe tobacco, and related products is included
Allow existing tobacco retailers who are licensed to sell alcohol for on-site consumption but do not meet the proposed tobacconist requirements to: <ul style="list-style-type: none"> <li>a. Be given a two-year period to comply with the tobacconists requirements; or</li> <li>b. Be subject to the revocation or denied renewal of their tobacconist license.</li> </ul>	Not included.
Create a registry of licensed tobacconists operating lawfully under the CIAA exemption managed by ATCC. New businesses applying for a license and existing businesses using the two-year compliance period to meet the new license criteria should be required to register immediately with the ATCC.	Creates a registry operated by ATCC of all businesses exempt from the CIAA.
Require licensed facilities operating under the CIAA exemption to display signage indicating that smoking is allowed indoors.	Included.
Prohibit individuals under the age of 21 to enter licensed tobacconist facilities.	Not included.
Prohibit tobacconist licensing for properties directly adjacent to a healthcare or childcare/child-related facility.	Included.

SB 623 also adds several new provisions that were discussed in the Workgroup, but not ultimately included in the Workgroup’s recommendations:

- Adds a geographic restriction on the number of licenses of one license per 150,000 residents or one license per county, whichever is greater;
- Requires that a license application include “a building plan demonstrating sufficient air filtration and exhaust”
  - The workgroup discussed the organization that establishes building ventilation standards and guidance (originally the American Society for Heating, Refrigeration and Air-Conditioning Engineers, now ASHRAE) has a specific policy statement on this question, stating “[T]he building and its systems can

reduce only odor and discomfort but cannot eliminate exposure when smoking is allowed inside or near a building...”<sup>3</sup>;

- Requires “each employee of a licensed establishment to sign an acknowledgment that the employee will be subjected to secondhand smoke.”

SB 623 would have an operational but not a fiscal impact on the Department. If you would like to discuss this further, please do not hesitate to contact Meghan Lynch, Director of Governmental Affairs at [meghan.lynch@maryland.gov](mailto:meghan.lynch@maryland.gov).

Sincerely,



Meena Seshamani, M.D., Ph.D.  
Secretary of Health

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<sup>3</sup> ASHRAE. Position document on Environmental Tobacco Smoke. Approved June 28, 2023. Accessed at: <https://www.ashrae.org/File%20Library/About/Position%20Documents/pd-on-environmental-tobacco-smoke-english.pdf>.