

Maryland Department of Health
Issuance of Alcoholic Beverages Licenses to Tobacconists Workgroup Meeting
January 17, 2024
9:00 - 10:00 am

MINUTES

Members:

Steven Arentz
Finnie Pecunes Helmuth
Carl Jackson
Nilesh Kalyanaraman
Jeffrey Kelly
Clarence Lam
Ronald Watson

Staff:

Subha Chandar
Victoria Marte-Tiburcio
Christopher McGrath
Clifford Mitchell
Dana Moncrief
Jody Sheely

Meeting Notes:

Welcome & General Business

- Nilesh Kalyanaraman opened the meeting and welcomed attendees.
- Jody Sheely provided an overview of the Open Meeting Act and conducted roll call.
- The Workgroup members approved the December 12, 2024 meeting minutes.

Workgroup Overview & Health Considerations

- Nilesh Kalyanaraman provided an overview of the statutory purpose and a summary of the previous meeting.
- Nilesh Kalyanaraman discussed the dangers of tobacco smoke and secondhand smoke exposure.

Discussion of Recommendations

- Nilesh Kalyanaraman presented two options to the Workgroup to determine which Clean Indoor Air Act (CIAA) exempt tobacco retailers should be allowed to serve alcohol:
 - Option 1 - Tobacconists who sell only premium cigars and pipe tobacco products.
 - Option 2 - Tobacco retailers with an Other Tobacco Products (OTP) license.
- Jeffrey Kelly informed the Workgroup that the Alcohol, Tobacco, and Cannabis Commission (ATCC) conducted observation-based site visits, finding that approximately half of the licensed tobacconists appear to fit the statutory requirement of 70% OTP sales.
- Clarence Lam suggested that the Workgroup review the state and federal definition of premium cigars.
- The Workgroup concurred to move forward with option one as their recommendation.
- Nilesh Kalyanaraman presented two options to the Workgroup to determine how CIAA-exempt tobacconists should be allowed to serve alcohol:

- Option 1 - Bring-your-own (BYO) alcoholic beverage only.
- Option 2 - Allowing alcohol sales and defer to the local jurisdictions for BYO.
- Ronald Watson expressed that tobacconists should have the option of either BYO or alcohol sales. Finnie Helmuth agreed with Ronald Watson wanting to ensure that tobacconists who prefer BYO are also protected.
- Steven Arentz asked the Workgroup to consider whether there are sufficient funds to support local enforcement if alcohol sales are permitted. Ronald Watson emphasized the importance of economic development.
- Jeffrey Kelly suggested the creation of a 'Class T (Tobacconist) Retail License' issued by the local liquor boards. He explained that the special license could be used to further limit the percentage of alcohol sales.
- Clarence Lam suggested the creation of a statewide registry of tobacco retailers operating under the CIAA exemption.
- Nilesh Kalyanaraman asked the Workgroup to consider how tobacconists and OTP co-licensure could be avoided. Jeffrey Kelly explained that applications for most local boards have to be approved by the ATCC.
- Ronald Watson explained that Prince George's county currently has no cigar lounges. He asked what the process would look like for new tobacconists who have no sales receipts yet to audit. Jeffrey Kelly suggested an affidavit acknowledging the terms of the tobacconist license and that any violations may result in suspension or revocation of the businesses alcohol license and/or tobacconist license.
- Nilesh Kalyanaraman suggested that current tobacconists who would not fit the proposed definition of premium cigars and pipe tobacco should be given a 'ramp-off' period to comply with the new requirements and renew their license, instead of grandfathering in all tobacconists.
- Nilesh Kalyanaraman provided an overview of a few legislative considerations including health insurance, stand-alone building, verification, and enforcement requirements.
- Ronald Watson suggested that cigar lounge employees sign an affidavit to acknowledge the dangers of secondhand smoke. He questions the feasibility of requiring stand alone buildings considering many cigar lounges are found in outdoor strip malls.
- Steven Arentz highlighted how census data will affect rural counties and limit the number of cigar lounges.
- Clarence Lam prompted the Workgroup to consider how requiring insurance may impact an employee's ability to enroll through the Maryland Health Benefit Exchange, depending on the type and quality of the insurance provided by the tobacco retailer.
- Jeffrey Kelly suggested requiring an independent audit at the costs of the tobacco retailer when submitting an initial and renewal application for the tobacconist license. He described the different levels of inspections and verification on the local and state level.

- Nilesh Kalyanaraman clarified that an affidavit acknowledging the dangers of secondhand smoke would not exempt a business owner from standard labor laws and protections.

Public Comment & Closing Remarks

- Nilesh Kalyanaraman opened the public comment period. There were no public comments.
- Nilesh Kalyanaraman discussed next steps and thanked the Workgroup for their participation.