

**Maryland Department of Health**  
**Issuance of Alcoholic Beverages Licenses to Tobacconists Workgroup Meeting**  
**Wednesday, September 18, 2024**  
**1:00 - 2:30 pm**

**MINUTES**

**Attendees:**

Members:

Carl Jackson  
Finnie Pecunes Helmuth  
Nilesh Kalyanaraman  
Ronald Watson  
Steven Arentz

Staff:

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

Public:

Bobby Oler  
Brooke Torton  
Churon Lanier  
Eddie L. Pounds  
Esq. (Mdlobbyist)  
Glynn Loope  
Jacki Wobser  
James Price  
Jane Springer  
Jeffrey Hann -ATCC-  
Matthew Bohle  
Michael Lyles  
Mr.C's Cigar Lounge  
Pamela Beidle  
Raj Singh  
Samuel Paul -MDH-  
Sara Wolfe -MDH-  
Sarah Case-Herron -MDH-  
Scott Tiffin  
Steve Wise  
Thomas Akras -ATCC-

**Meeting Notes**

**Welcome**

- Nilesh Kalyanaraman opened the meeting. Members of the workgroup and supporting staff introduced themselves.
- Jody Sheely provided an overview of the Open Meetings Act, the Clean Indoor Air Act (CIAA) webpage, and future meeting dates.

**Introduction and Background**

- Dana Moncrief provided background information on the CIAA revisions prohibiting the use of electronic smoking devices indoors and establishing the workgroup. She emphasized the workgroup's guiding principles which include public health and consistent regulation/enforcement across the state. Dana Moncrief also reviewed the

workgroup objectives of discussing the current landscape and ultimate goals for alcohol/tobacconist licensure.

- Cliff Mitchell provided a historical overview of the CIAA of 2008. Enforcement activities are undertaken by Maryland Department of Health (MDH), Maryland Occupational Safety and Health (MOSH), and local health departments (LHDs). He noted there has been tremendously high compliance with the CIAA indicated by the significant increase in Maryland youth reporting no exposure to secondhand smoke in the past 7 days through the Youth Risk Behavior Survey/Youth Tobacco Survey (YRBS/YTS).
  - Cliff Mitchell described how most violations are resolved with a letter of violation without need for financial penalties.
  - Cliff Mitchell highlighted the two main issues with CIAA enforcement which center around the interpretation of the tobacco retailer's exemption and the definition of "incidental" sales. He explained how the business regulation statute defines tobacconist as a business that derives at least 70% of its revenue from tobacco and tobacco-related accessories; however the term itself is not used in the CIAA.
  - Cliff Mitchell provided a breakdown of the number of cigar bars by jurisdiction by the Conference of Environmental Health Directors.
- Niles Kalyanaraman thanked Dana Moncrief and Cliff Mitchell and opened the floor to questions before entering the discussion.
  - Senator Ronald Watson asked where accessories are defined. Cliff Mitchell clarified that accessories are not defined in statute. Tom Akras provided more context explaining that the alcohol beverages article allows for wide interpretation by Maryland's 25 local liquor boards. Tom Akras explained the different categories of liquor licenses including off-premise consumption only, club licenses, and tavern licenses. He also discussed the culture associated with cigar bars when customers were allowed to bring their own alcohol and lockers were available for customers to store these alcoholic beverages.
  - Tom Akras highlighted that the Alcohol, Tobacco, and Cannabis Commission (ATCC) found tobacconist license holders also holding liquor licenses due to the discretion of the local liquor boards and the broad definition of "incidental" alcohol sales.
- Senator Pamela Beidle shared that, in Arundel County, the local liquor board was not conducting inspections or audits. She prompted the question of whether food is allowed to be categorized as incidental.
  - Tom Akras explained how it depends on the type of liquor license and food license the establishment holds.
- Delegate Steven Arentz asked whether this discussion is limited to cigar bars and whether

there is potential for cannabis and alcohol bars.

- Tom Akras answered the delegate's question stating that smoking and vaping cannabis products indoors is prohibited in the CIAA revisions.
- Senator Pamela Beidle and Dr. Kalyanaraman emphasized the dangers of the co-use of cannabis and alcohol. Dr. Kalyanaraman clarified that the workgroup is focused on the tobacconist conversation.
- Tom Akras further clarified that cigarettes are not included in the definition of other tobacco products.
- Finnie Pecunes Helmuth described the customer activities at her cigar bars. She explained how a large percentage of their customers pick-up their cigars and leave the store, only a small percentage smoke on premise.
- Senator Ronald Watson added to the previous explanation stating that cigar bars do not allow the use of cigarettes on their premises. Matthew Bohle added that cigarettes are defined separately under code and therefore not included in any tobacconist license.

## **Discussion**

- Nilesh Kalyanaraman initiated the discussion asking what consideration should there be for granting on-premise consumption alcohol licenses.
- Tom Akras shared that there are many aspects of the alcoholic beverages article to consider. He suggests the workgroup focus on types of beverages, hours of operation, and the 21 and older requirement. Matthew Bohle recommended the consideration of a statewide uniform license.
- Senator Ronald Watson emphasized the importance of enforcement, also stating that the bring-your-own (BYO) option is a key business driver for cigar bars.
- Tom Akras suggested that enforcing statewide license requirements may not be feasible due to the ATCC's limited staff.
- Senator Pamela Beidle questioned the ability of local inspectors to handle enforcement considering a full bar was found in a cigar bar and alcohol sales were not incidental.
- Cliff Mitchell highlighted that tobacconists is not mentioned in the CIAA instead using the term "tobacco retailer". He asked whether tobacco retailers require a tobacconist license.
  - Tom Akras explained that a person can not sell tobacco products without the license. He affirmed that the code could be interpreted to include tobacconists under the term tobacco retailers; however a distinction could also be made in the Health General Article.
  - Matthew Bohle added that a statewide license could also provide for an exemption to the CIAA.

- Matthew Bohle introduced the topic of food and its safety benefits. Senator Pamela Beidle warned against the proliferation of taverns by allowing tobacco, alcohol, and food sales.
- Nilesh Kalyanaraman brought up a core concern of MDH regarding path dependency and public health needs. Matthew Bohle suggested caps or quotas by population for the issuance of liquor licenses. Tom Akras added that this is seen frequently in many jurisdictions. He also added that the ATCC and local law enforcement may step in where local health inspectors may not have the capacity to enforce the local alcoholic beverages article. Matthew Bohle reemphasized the importance of establishing a ratio to prevent proliferation.
- Nilesh Kalyanaraman asked whether an alcohol license can be made subordinate or secondary to a tobacco license. Tom Akras confirmed that there are many alcohol licenses that are subordinate to other licenses.
- Finnie Pecunes Helmuth expressed that the cigar industry favors the limitation. Matthew Bohle emphasizes that cigars are a premium product and small industry. Tom Akras shared that the cigar market is very niche when compared to the large number of cigarette retailers and vape shop vendors across the state.
- Finnie Pecunes Helmuth shared that tobacco retailers are commonly lumped in with cigarette and vape shop retailers. She explained how the legislature worked with them to define premium cigars and tobacco licenses.
- Cliff Mitchell asked who issues tobacco licenses and verifies whether requirements are met. Matthew Bohle explains that these licenses are issued by local courts. Tom Akras added that tobacconists buy directly from manufacturers and the ATCC handles enforcement.
- Matthew Bohle added that the cigar industry has more manufacturers and product-to-product variability depending on where the tobacco is grown.
- Nilesh Kalyanaraman reintroduced the question concerning BYO. Finnie Pecunes Helmuth explained that BYO would devastate cigar lounges. Matthew Bohle commented that it should be one or the other, BYO or on-premises sales.
  - Tom Akras clarified that current law does not allow for BYO in licensed establishments. The law only allowed for alcoholic beverages purchased on-premise to be stored on location.
  - Senator Ronald Watson shared his concern for the cigar industry and Prince George's County Council's efforts to put in a moratorium and prohibit vape shops and support cigar lounges.
- Nilesh Kalyanaraman introduced closing questions asking members whether there are any additional priorities or information they would like to highlight.
- Matthew Bohle emphasized their interest in limited expansion by cap, quota, or

population. He mentioned that Connecticut previously did not allow for cigar and alcohol sales at the same venue but now accommodates for this practice.

- Senator Ronald Watson highlighted the tax implications prompting the question of whether a percentage should be used to prevent tobacco use. Senator Pamela Beidle suggested the workgroup look at other states including Delaware, Virginia, and Pennsylvania for best practices.

### **Public Comment**

- Nilesh Kalyanaraman opened the meeting to public comment.
- Raj Singh agreed with Finnie Pecunes Helmuth and supported a limited approach through the implementation of a statewide program.
- Michael Lyles shared how he is forced to travel to other jurisdictions to smoke in a cigar lounge.
- Scott Tiffin highlighted that the CIIA revisions were initially passed by the house allowing indoor cannabis smoking and later amended in the Senate. He shared his concerns on how the discussion may open up doors for cannabis.
- Raj Singh shared that the Cigar Retailers Trade Association is against cannabis and cigarette use in cigar bars.
- Nilesh Kalyanaraman acknowledged Scott Tiffin's concern.

### **Closing Remarks**

- Nilesh Kalyanaraman closed the public comment period. He discussed next steps and thanked the members for their participation.