

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 345
Economic Matters

(Harford County Delegation)
Education, Health, and Environmental Affairs

Harford County Liquor Control Board - Reserve Account

This bill establishes a reserve account for the Harford County Liquor Control Board. The reserve account, which is a special, nonlapsing account not exceeding \$100,000, will ensure that issuance and renewal of licenses, licensing enforcement, and other services provided by the Harford County Liquor Control Board will continue in the event of unanticipated financial circumstances. A board designee must administer the reserve account. The Harford County Liquor Control Board must hold the reserve account separately and account for the reserve account. The reserve account will consist of money from specified sources, including license fees, fines, and investment income. No more than 20% of the aggregate net proceeds received by the Harford County Liquor Control Board may be payable to the reserve account. If current year appropriations exceed expected revenues, then the board may incur expenditures from the reserve account.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Harford County revenues decrease by a minimal amount and the Harford County Liquor Control Board revenues increase by the same amount. Expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: There is no reserve account for the Harford County Liquor Control Board. The net proceeds of all funds received by the Harford County Liquor Control Board, not including funds derived from the sale of licenses within Aberdeen, Bel Air, and Havre de Grace, are paid to the county treasurer and credited to the county's general fund. The net proceeds of the funds derived from the sale of licenses within Aberdeen, Bel Air, and Havre de Grace are paid by the board to the treasurers of the respective municipalities after a deduction for administrative and enforcement expenses.

Background: Garrett, Montgomery, Somerset, Wicomico, and Worcester counties have reserve funds for their respective liquor control boards.

Local Fiscal Effect: Harford County revenues would decrease annually by 20% of the aggregate net proceeds received by the Harford County Liquor Control Board, and the Harford County Liquor Control Board's reserve account would increase by an equal amount. There is no fiscal effect once the Harford County Liquor Control Board's reserve account has a balance of \$100,000.

Additional Information

Prior Introductions: None.

Cross File: SB 131 (Senator Glassman, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Harford County, Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2013
ncs/hlb

Analysis by: Heather N. Ruby

Direct Inquiries to:
(410) 946-5510
(301) 970-5510