

March 27, 2019

The Honorable Michael E. Busch
Speaker of the House of Delegates
State House Annapolis, MD 21401

Dear Speaker Busch:

In accordance with Article II Section 17 of the Maryland Constitution, I have vetoed House Bill 1052 - *Alcohol and Tobacco Commission*.

This legislation is not necessary, serves no purpose, will waste taxpayers' money, and disrupts a well-ordered and completely functional regulatory system. Simply put, House Bill 1052 is a solution in search of a problem that does not exist. This is personality-driven, petty, partisan politics at its worst.

In place of the well-respected and award-winning Field Enforcement Division in the Office of the Comptroller, the provisions of House Bill 1052 would replace it with a Rube Goldberg contraption, establishing needless administrative and bureaucratic chaos, creating uncertainty for regulated entities, and incurring an unacceptable waste of taxpayer dollars.

As the Department of Budget and Management (DBM) noted in its opposition to the bill, they typically would have reviewed any such large-scale reorganization proposal of the executive branch for the purposes of achieving operational efficiencies across multiple units of government. The 2018 Task Force to Study State Alcohol Regulation, Enforcement, Safety and Public Health, which hastily recommended this substantial legislation after a mere four public meetings, never sought DBM's advice on the matter.

The reorganization contemplated by House Bill 1052 creates significant budgetary implications and unnecessary disruption for the regulated industries. Key personnel will have to be duplicated with the new Commission, including: administration and finance, information technology, human resources, communications, and legal. New office space with a secure contraband warehouse and testing lab will likely need to be procured, as well as the need to duplicate information technology systems.

If meaningful alcohol policy is indeed a goal for the General Assembly, I would point you to the Department of Legislative Services' November 2017 report "Regulation of the Alcohol Beverages Industry in Maryland," which concluded that "most often, the issues alcoholic beverages regulators confront are wholly economic, as proponents of each tier seeks to enhance its economic position often at the expense of the other tiers." Given these issues they face, a wholesale move of

the Field Enforcement Division to a new bureaucracy would significantly hamper its ability to discharge the regulatory duties assigned to it at exactly the time it needs to continue operating at the high level of excellence and professionalism for which is it known.

For these reasons, I have vetoed House Bill 1052.

Sincerely,
Lawrence J. Hogan Jr.
Governor