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SB 22

February 23, 2024

TO: Members of the Senate Finance Committee

FROM: Nina Themelis, Director, Mayor's Office of Government Relations

RE: SB 0022 - Baltimore City - Alcoholic Beverages - Board of License Commissioners

POSITION: Favorable with Amendments

Chair Beidle, Vice Chair Klausmeier, and members of the Committee please be advised that the Baltimore City Administration (BCA) **supports with amendments** Senate Bill (SB) 22.

SB 22 would revert the appointment authority for the Board of Liquor License Commissioners (BLLC) for Baltimore City back to the Governor of Maryland. In 2016, the Maryland General Assembly amended existing state law to transfer appointment authority from the Governor to the Mayor and City Council President of Baltimore with the advice and consent of the Senate. This change took place following many deficiencies with the BLLC in a 2013 audit by the Office of Legislative Audits (OLA). In 2016 a subsequent audit of the BLLC found that the BLLC still lacked written policies and procedures for certain aspects of the disciplinary process, did not monitor closed establishments to ensure licenses expired in accordance with State Law, financial disclosure forms were not filed as required, employee performance was not evaluated on a routine basis are required by law, had not implemented management practices to oversee and manage the agency's functions, and several other issues. In the following audit performed by the OLA in 2020, after the appointment authority had been given to the Mayor and City Council of Baltimore City, OLA found of the findings previously noted in the 2013 and 2016 audits 16 out of the 17 findings investigated were not repeated.

The BCA believes it is in the best interests of residents and licensees in Baltimore City to retain existing appointment authority. The BCA supports ensuring the Baltimore City State Delegation members are supportive of the appointment process and of the members who serve on the BLLC. There is not a standard appointment model across the state for appointments made to local liquor licensing boards. Half of all jurisdictions require appointments to be made by the Governor while the other half do not. Of the top ten most populous jurisdictions in the state, eight out of ten local boards are appointed either by the respective executive or through a process involving County Councils or Commissioners. Of the 7 jurisdictions that border Baltimore City and are along the I-95 corridor, only one, Anne Arundel County, requires appointment by the Governor (Table 1). Three of those seven jurisdictions do not require any confirmation or consultation with the General Assembly.

The BCA believes that collaboration between leadership within each jurisdiction and General Assembly members representing that jurisdiction is the best model to ensure that membership and

oversight of its local board. The BCA believes the existing requirements for BLLC appointments are sufficient for this collaboration, however, if the Baltimore City representatives within the Maryland General Assembly wish to enhance this collaboration, we would recommend utilizing the Harford County liquor board statute which provides additional opportunities for members of the General Assembly for the jurisdiction to provide feedback on potential members.

For these reasons, the BCA does not support SB 22 as it is currently written, however, would **support with amendments** if the above changes were to be incorporated.

Table 1

Jurisdiction	Number of Members	Appointment Authority	General Assembly Action Required?
Baltimore City	3 <u>regular</u> ; 1 substitute	Mayor appoints 2, Council President appoints 1 regular member and one substitute member	<u>Yes</u> ; requires advice and consent of Senate
Anne Arundel County	3	Governor appoints all members	<u>Yes</u> ; requires advice & consent of Senate
Baltimore County	3	County Executive appoints all members	No
Howard County	5	County Council itself sits as Liquor Board; separate 5 member "Appointed Alcoholic Beverage Hearing Board" - 5 members appointed by County Executive	No
Montgomery County	5	County Executive appoints all members, subject to confirmation by County Council	No
Prince George's County	5	County Executive appoints all members	<u>Yes</u> ; requires advice and consent of Senate
Harford County	5	County Executive appoints all members	<u>Yes</u> ; requires advice and consent of Harford County Delegation to General Assembly