

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 506

(Delegate Walkup, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

Kent County - Alcoholic Beverages Violations - Penalties

This bill authorizes the Kent County Board of License Commissioners to impose penalties for violations of alcoholic beverage law and increases the monetary penalties for first, second, and third violations of alcoholic beverage law. The bill also modifies penalties related to the closure of a licensed premises for violations of alcoholic beverage law.

The bill is effective July 1, 2002.

Fiscal Summary

State Effect: None.

Local Effect: Kent County revenues could increase depending on the number and types of violations cited and the amount of the fine issued. Any increase is expected to be minimal. Expenditures would not be affected.

Small Business Effect: None.

Analysis

Bill Summary: The fine for a first offense would increase from \$100 to an amount not to exceed \$500. The fine for a second offense would increase from \$300 to an amount not to exceed \$1,000. The fine for a third or subsequent offense would increase from \$500 to an amount not to exceed \$2,000.

The penalties for closure of a licensed premises for violations of alcoholic beverages laws would change from 15 days to a period of not more than 15 days for a first violation, from 30 days to a period of not more than 30 days for a second violation, and from 90 days to a period of not more than 90 days for the third or subsequent violation. For a third offense that is the same as either of the two previous offenses, the prohibition against licensure of the premises goes from one year to not more than one year.

Current Law: In Kent County, the penalties for a first offense of an alcoholic beverage law are a fine of \$100, suspension of the license, and closure of the licensed premises for 15 days. The penalties for a second offense are a fine of \$300, suspension of the license, and closure of the licensed premises for 30 days. For a third or subsequent offense, the penalties are a fine of \$500, suspension of the license, and closure of the licensed premises for 90 days.

Monetary penalties for violations of alcoholic beverage law vary from county to county. However, most counties issue fines of an amount set in statute, or an amount not to exceed a certain maximum set by statute, for any violation of alcoholic beverage law. However, Baltimore City makes distinctions between first and subsequent offenses with increased penalties. The Baltimore City Board of License Commissioners may impose a fine of not more than \$500 for a first offense of alcoholic beverage law and may impose a fine of not more than \$3,000 for any subsequent offense. Only Kent County makes distinctions between first, second, and third and subsequent violations. Only Kent County uses the closure of a licensed premises as a potential penalty for violations of alcoholic beverages law.

Background: Kent County advises that the Board of License Commissioners issued \$600 in total fines during calendar 2001 for one first violation and one third violation. However, Kent County further advises that increasing the maximum monetary fine will provide additional flexibility to punish violators of alcoholic beverage licensees without harming the violator's business.

Local Fiscal Effect: Assuming the rate of alcoholic beverage violations in Kent County remains similar to previous years, revenues could increase. Any increase in revenues is dependent on the type of violation, the total number of violations, and the increase in the fine issued by the board exceeding the current fine. Significant changes in the enforcement of alcoholic beverages laws will affect fine revenue in Kent County. Altering the penalties for closure of licensed alcoholic beverages premises will not affect Kent County finances.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 28, 2002
mam/hlb Revised - House Third Reader - March 22, 2002

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