

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 889

(Senator Astle)

Education, Health, and Environmental Affairs

Economic Matters

**Anne Arundel County - Alcoholic Beverages - Board of License Commissioners -
Inspectors**

This bill increases compensation for members and certain employees of the Anne Arundel County Board of License Commissioners. The bill also increases the number of part-time inspectors employed by the board from 17 to 20.

The bill takes effect July 1, 2007.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County expenditures would increase by \$84,500 in FY 2008 and by \$101,700 each year beginning in FY 2010. Revenues would not be affected.

Small Business Effect: None.

Analysis

Current Law: The Anne Arundel County Board of License Commissioners consists of three members appointed to two-year terms by the Governor with the advice and consent of the Senate. Salary adjustments for board members take effect at the beginning of the next term of office. The chairman receives an annual salary of \$15,000; the other two board members receive an annual salary of \$8,500. The board does not have jurisdiction in the City of Annapolis.

The board is authorized to employ 1 part-time chief inspector at an annual salary of \$8,000 and 16 part-time inspectors at an annual salary of \$5,000. Each inspector receives a monthly expense allowance of \$150, subject to the approval of the State Comptroller.

The board is also authorized to employ two full-time administrators in pay grade 16, a full-time secretary in pay grade 13, and an attorney at an annual salary of \$8,000.

Background: Compensation for alcoholic beverage commissioners varies by jurisdiction. The majority of jurisdictions compensate commissioners with an annual salary, while some smaller jurisdictions compensate commissioners on a per meeting basis. Salaries for the Anne Arundel County Board of License Commissioners have not been increased in more than 20 years.

Growth in the number of licensed establishments and expansion in the type of licenses available has increased the workload of the part-time inspectors employed by the board. Inspectors spend an estimated five hours per week inspecting establishments, posting and distributing materials, and investigating complaints. Monthly expenses include mileage, tolls, or other costs incurred by the inspector.

Local Expenditures: Anne Arundel County expenditures would increase by \$84,460 in fiscal 2008, which includes the increase in salary, payroll taxes, and expenses for the board of license commissioners' attorney, chief inspector, and 16 part-time inspectors. It also includes the addition of three new part-time inspectors and associated costs.

Salary increases for the board would not take effect until the next term of office, which is scheduled to begin May 1, 2009. The prorated cost of the increase in salary and payroll taxes would be \$2,871 in fiscal 2009. The annualized cost of the increase would result in expenditures of \$17,224 in fiscal 2010.

The total cost to Anne Arundel County of the increase in salary and expenses, as well as the cost of additional positions, would not be fully realized until fiscal 2010, when additional expenditures would total \$101,684. These expenditures are detailed in **Exhibit 1**.

Exhibit 1
Fiscal Impact of SB 889

	<u>Positions</u>	<u>Current Salary</u>	<u>Proposed Salary</u>	<u>Salary Increase</u>
<i>Effective FY 2008</i>				
Attorney	1	\$8,000	\$12,000	\$4,000
Chief Inspector				
Salary	1	8,000	10,000	2,000
Annual Stipend	1	1,800	3,600	1,800
Inspectors				
Salary	16	5,000	6,000	16,000
Annual Stipend	16	1,800	3,600	28,800
New Inspectors				
Salary	3	-	6,000	18,000
Annual Stipend	3	-	3,600	10,800
<i>Effective FY 2009¹</i>				
Chairman	1	\$15,000	\$18,000	\$3,000
Commissioners	2	8,500	15,000	13,000
Subtotal				\$97,400
Additional Payroll Taxes on Salary				<u>4,284</u>
Total				\$101,684

¹Salary adjustments do not take effect until May 1, 2009.

Additional Information

Prior Introductions: None.

Cross File: HB 1245 (Delegate Love) – Economic Matters.

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

Fiscal Note History: First Reader - March 9, 2007
ncs/hlb

Analysis by: Suzanne O. Potts

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