

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1309

(Delegate Mathias, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Somerset and Worcester Counties - Liquor Control Boards - Ethics

This bill includes the liquor control boards for Somerset and Worcester counties in the definition of “executive unit,” as it is defined under the Maryland Public Ethics Law.

Fiscal Summary

State Effect: The State Ethics Commission can accommodate any increase in administrative duties resulting from the bill with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Under the Public Ethics Law, “executive unit” is defined as a department, agency, commission, board, council, or other body of State government that is established by law and is not in the Legislative Branch or Judicial Branch of State government. “Executive unit” includes a county health department, unless the officials and employees of the department are expressly designated as local officials, and the sheriff’s and State’s Attorney’s offices in each county. Employees and officials of executive units are subject to applicable Public Ethics Law conflicts of interest and financial disclosure provisions.

“Official” is defined under the Public Ethics Law as a State official or a public official. Whether an individual in an executive unit is a public official is generally determined by the State Ethics Commission, with advice from the Secretary of Budget and Management, in accordance with specified criteria.

Background: In general, most Maryland jurisdictions permit the sale of alcoholic beverages through a three-tier system in which retail alcoholic beverage licensees purchase alcoholic beverages from licensed Maryland wholesalers, who in turn purchase alcoholic beverages from licensed manufacturers and import companies. In Montgomery, Somerset, Wicomico, and Worcester counties, the county governments operate dispensary systems (run by liquor control boards) through which they act as wholesalers for retail alcoholic beverage licensees in their respective jurisdictions.

In response to a request from the State Ethics Commission, an August 2009 Attorney General's Opinion indicated that the liquor control boards in Somerset, Wicomico, and Worcester counties "function as State entities for purposes of the Public Ethics Law and therefore their members and employees should be governed by State ethics requirements." In the past, the State Ethics Commission had treated the boards as units of county government.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Somerset and Worcester counties, State Ethics Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2010
mlm/mcr Revised - House Third Reader - March 31, 2010

Analysis by: Scott D. Kennedy

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