

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 503

(Senators Young and Hough)

Education, Health, and Environmental Affairs

Economic Matters

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Frederick County - Alcoholic Beverages - Notice for License Applications, Fees,  
and Inspectors

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This bill makes various changes to the alcoholic beverage laws applicable to Frederick County. The bill (1) alters the notice requirements for applications for licenses; (2) eliminates the fee to obtain a certificate of permission or a specified new license; (3) alters provisions related to the appointment or removal of alcoholic beverages inspectors; and (4) makes clarifying changes to the law regarding the individuals covered by the conflicts of interest statute.

The bill takes effect July 1, 2015.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State Finances or operations.

**Local Effect:** Frederick County can implement the bill's changes with existing resources. Expenditures may increase minimally due to the bill's changes regarding the number of inspectors that may be appointed.

**Small Business Effect:** Minimal.

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## Analysis

### **Bill Summary:**

#### *Notice Requirements*

The bill allows the Frederick County Board of License Commissioners to fulfill the statutory requirement of providing notice of application for a license by posting online a completed application, with all submitted documents, at least 14 days before the hearing date.

#### *Certificate of Permission and New License*

The bill eliminates the \$1 fee (payable to the board) to obtain a “certificate of permission” following the death of a license holder, and the \$1 fee (paid to the Comptroller) for a specified “new license” following the death or incapacitation of all named individuals on a Class E (steamboat), Class F (railroad), or Class E (airplane) license issued to a company. A fee may not be charged for a certificate of permission or a new license in Frederick County.

#### *Appointment and Removal of Alcoholic Beverage Inspectors*

The bill repeals provisions relating to the appointment, removal, duties, and salaries of alcoholic beverages inspectors. The bill authorizes the board to appoint one chief alcoholic beverages inspector and not more than one additional full-time inspector *or* two part-time inspectors. The bill authorizes the chief inspector to determine the hours and assignments of all alcoholic beverage inspectors and specifies certain qualifications for inspectors of any type.

#### *Conflicts of Interest*

The bill clarifies that the chief alcoholic beverages inspector, a full-time alcoholic beverages inspector, a part-time alcoholic beverages inspector, and an employee of the board, may not hold specified interests in a premises, business, or corporation involved in the sale or manufacturing of alcoholic beverages. The bill also clarifies that these individuals may not solicit or receive gifts or compensation from specified individuals and prohibits others from offering specified gifts or compensation.

## **Current Law:**

### *Notice Requirement*

Before the Board of License Commissioners for Baltimore City or any county approves any application for a license, the board must publish notice of the application two times in two successive weeks. In Frederick County, the applicant is responsible for paying the fees associated with publishing the notice. The notice must specify the name of the applicant, the kind of license sought, the location of the proposed business, and the time and place for a hearing on the application. The hearing may not be less than 7 or more than 30 days after the last publication.

### *Certificate of Permission*

Upon the death of the holder of any license, other than a Class E (steamboat), Class F (railroad), or Class G (airplane) license, the license expires. However, the executor or administrator of the deceased licensee's estate may, for a fee of \$1, receive a "certificate of permission" in the name of the administrator or executor that allows the license to remain in effect for the benefit of the estate of the deceased. The administrator or executor may then assign or transfer the license for the benefit of the estate, and once the application for transfer or assignment is approved and all license fees are paid, the license is considered reinstated.

### *New License*

Similar to the certificate of permission, a "new license" may be issued to a person who represents a company when the individuals who previously represented the company, and who were named on a Class E, Class F, or Class G license, die or become incompetent. In general, the license expires within 10 days. However, if a person, on behalf of the company, submits an application and pays \$1 to the Comptroller within 10 days of the previous named individuals dying or becoming incompetent, the Comptroller issues a new license replacing and containing the same privileges as the old license.

### *Appointment of Alcoholic Beverages Inspector*

The Governor appoints one alcoholic beverages inspector, with the advice and consent of the Senate or, if there is no resident Senator, the consent of the members of the Frederick County Delegation of the General Assembly. To qualify for appointment as an alcoholic beverages inspector, a person must (1) be of high moral character; (2) possess a sound reputation for sobriety, honesty, and integrity; and (3) devote full time to the duties of the office for a term of five years. An inspector who is appointed after a term has begun serves

only until a successor is appointed. The Governor may remove an inspector under specified conditions.

The inspector's salary is set by the county commissioners. An inspector may be reimbursed for reasonable expenses and receive mileage at the standard rate set by the county commissioners.

An inspector possesses the power of a peace officer with respect to the enforcement of the alcoholic beverages laws of Frederick County. An inspector must make monthly reports in writing to the board covering the activities and setting forth any complaints or violations that may have been observed or reported. An inspector must assist the board in enforcing the alcoholic beverages laws and has any other duties as the board may prescribe.

*Conflict of Interest*

The conflict of interest provisions apply to a commissioner, a full-time or part-time inspector, and an employee of the board.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** Although HB 246 (Frederick County Delegation - Economic Matters) is designated as a cross file, it is different.

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

**Fiscal Note History:** First Reader - February 20, 2015  
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