

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 3

(Senator Astle)

Education, Health, and Environmental Affairs

Economic Matters

Anne Arundel County - Alcoholic Beverages - Board of License Commissioners -
Attorneys

This bill increases the annual salary of the attorney employed by the Anne Arundel County Board of License Commissioners from \$20,000 to \$90,000, which allows the board to hire a full-time attorney instead of a part-time attorney. The bill also authorizes the board to hire a contractual attorney to perform work that the full-time attorney is unable to perform due to a conflict of interest; however, the board may not spend more than \$10,000 a year to hire such an attorney.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County expenditures decrease by allowing the board of license commissioners to hire a full-time attorney instead of relying on contractual staff.

Small Business Effect: None.

Analysis

Current Law: The Board of License Commissioners in each county, Baltimore City, and Annapolis are responsible for issuing alcoholic beverage licenses (the Comptroller's Office also issues some licenses) and generally administering the Alcoholic Beverages Article. The Anne Arundel County Board of License Commissioners is required to employ a (1) full-time secretary with an annual salary fixed by the board within pay grade 13 and

(2) an attorney at an annual salary of \$20,000. Furthermore, the board may employ up to two full-time administrators whose annual salaries are fixed by the board within pay grade 16.

Background: The Office of Legislative Audits indicated in a recent Performance Audit Report that the Anne Arundel County government restricted the board of license commissioners' authorized expenditures for legal services below the amounts approved by the Comptroller's Office in fiscal 2015 and 2016, which according to the legal counsel for the General Assembly was contrary to State law. The budgeted amounts for legal services that were reduced by the county government totaled \$35,000 in fiscal 2015 and \$112,400 in fiscal 2016. According to the Office of Legislative Audits, the legal fees for fiscal 2015 were eventually paid by the county government; however, currently the board is precluded from obtaining contractual legal services in fiscal 2016.

Local Fiscal Effect: The Anne Arundel County Board of License Commissioners spent approximately \$20,000 in fiscal 2015 to pay the salary of its part-time attorney and an additional \$120,000 for contractual legal support. In total, the board spent approximately \$140,000 for legal services in fiscal 2015.

By increasing the salary of the board's attorney from \$20,000 a year to \$90,000 a year, the board will be able to hire a full-time attorney instead of relying on contractual staff. Assuming the board spends the additional \$10,000 that is authorized by the bill each year for contractual legal support, board expenditures for legal services will total \$100,000 annually under the bill. *For illustrative purposes*, if the bill was in effect for the duration of 2015, board expenditures would have decreased by \$40,000 in that year. Similar cost savings are expected in future years; however, the precise impact cannot be reliably estimated. To the extent that contractual services would have been less expensive in future years, the bill could result in increased expenditures; however, current available information suggests that this situation is not likely to occur.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 18, 2016
kb/hlb Revised - Senate Third Reader - March 17, 2016

Analysis by: Richard L. Duncan

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