

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 373 (Senator Astle)
Education, Health, and Environmental Affairs

Anne Arundel County - Alcoholic Beverages - Disposition of Fees

This bill requires the Comptroller's Office to remit the necessary fees to the Anne Arundel County Board of License Commissioners, rather than the county government, in order to pay for the board's salaries, benefits, and expenses.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: The Comptroller's Office can handle the bill's requirements with existing resources. Revenues are not affected.

Local Effect: Anne Arundel County revenues may decrease to the extent that the board of license commissioners is able to pay for certain expenses that the county government currently disallows. Board expenditures increase by a corresponding amount.

Small Business Effect: None.

Analysis

Current Law: Unless otherwise specified by law, all alcoholic beverages license fees collected within a jurisdiction are remitted to the applicable local board of county commissioners, county fiscal officer, or Mayor and City Council of Baltimore.

In Anne Arundel County, as required by Chapters 659 and 660 of 2016, the board of license commissioners must remit all fees collected to the Comptroller's Office. The Comptroller's Office must use the collected fee revenue to approve and remit to the county

government the amount necessary to pay the salaries, benefits, and expenses of the board. The remaining balance must then be remitted to the county government at the end of each fiscal year for the general purposes of the county.

Local Fiscal Effect: According to the Anne Arundel County Comprehensive Annual Financial Report for fiscal 2016, the board of license commissioners brought in \$1,059,124 in revenues and had \$594,443 in expenditures in that year. The balance (\$464,681) was remitted to the Anne Arundel County general fund.

The Office of Legislative Audits indicated in a recent Performance Audit Report issued in February 2016, 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 performance audit, the legal fees for fiscal 2015 were eventually paid by the county government. The board advises that it is currently operating without contractual legal assistance during fiscal 2017.

Since the bill requires the Comptroller's Office to remit the approved expenses directly to the board instead of to the county government, Anne Arundel County general fund revenues may decrease to the extent that the board of license commissioners is able to pay for certain expenses that the county government currently disallows. Board expenditures increase by a corresponding amount.

Additional Information

Prior Introductions: None.

Cross File: Although it is not designated as a cross file, HB 1562 (Delegate Beidle – Economic Matters) is identical.

Information Source(s): Anne Arundel County; Comptroller's Office; Department of Legislative Services

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