

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 374

(Senator Astle)

Education, Health, and Environmental Affairs

Economic Matters

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

This bill increases, from \$20,000 to \$60,000, the annual salary of the attorney for the Anne Arundel County Board of License Commissioners. The bill also authorizes the board to hire a contractual attorney to perform work that the attorney employed by the board is unable to perform due to a conflict of interest; however, the board may not spend more than \$30,000 a year to hire such an attorney.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County expenditures increase by up to \$70,000 annually beginning in FY 2018. The board is currently operating without contractual legal assistance. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: The board of license commissioners in each county, Baltimore City, and the City of 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 (1) a 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 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.

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.

The board is currently relying on its part-time attorney for all legal support because the county eliminated funding for contractual legal services from the board's budget.

Therefore, by increasing the annual salary of the board's attorney from \$20,000 to \$60,000, the board will be able to hire a full-time attorney. Assuming the board also spends the additional \$30,000 that is authorized by the bill each year for contractual legal support, board expenditures for legal services will increase by \$70,000 annually beginning in fiscal 2018.

Additional Information

Prior Introductions: SB 3 of 2016, a similar bill, passed the Senate and was assigned to the House Economic Matters Committee, but no further action was taken. Its cross file, HB 640 of 2016, received a hearing in the House Economic Matters Committee, but no further action was taken.

Cross File: HB 554 (Delegate Carey, *et al.*) - Economic Matters.

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

Fiscal Note History: First Reader - February 17, 2017
fn/tso Third Reader - March 8, 2017

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