

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 150 (Chair, Joint Audit and Evaluation Committee)
Education, Energy, and the Environment Economic Matters

State Government - Office of Legislative Audits - Performance Audits

This bill reduces the frequency of performance audits of the Board of Liquor License Commissioners for Baltimore City and the Board of License Commissioners for Prince George’s County that are required to be conducted by the Office of Legislative Audits (OLA). Specifically, the bill requires a performance audit of each board every six years (rather than every four and three years, respectively).

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations; however, OLA may realize administrative efficiencies.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Bill Summary/Current Law:

Baltimore City Board of License Commissioners

Chapter 263 of 2011 requires OLA to conduct a performance audit of the Baltimore City Board of Liquor License Commissioners at least once every four years to evaluate the effectiveness and efficiency of the management practices of the board and of the economy with which the board uses resources. Under the bill, OLA must conduct a performance audit at least once every six (rather than four) years.

Prince George's County Board of License Commissioners

Chapter 811 of 2017 requires OLA to conduct a performance audit of the Prince George's County Board of License Commissioners beginning on July 1, 2017, and at least once every three years thereafter to evaluate the effectiveness and efficiency of the management practices of the board and of the economy with which the board uses resources. The performance audit must focus on operations relating to liquor inspections, licensing, disciplinary procedures, and management oversight, and be distributed as specified. Under the bill, the audit must be conducted at least once every six (rather than three) years.

Office of Legislative Audits

Generally, OLA must conduct a fiscal/compliance audit of each unit of the State government (except for units of the Legislative Branch) at an interval ranging from three to four years, unless the Legislative Auditor determines, on a case-by-case basis, that more frequent audits are required. Each agency or program may be audited separately or as part of a larger organizational unit of State government. OLA must also conduct performance audits or financial statement audits when authorized by the Legislative Auditor, directed by the Joint Audit and Evaluation Committee, or the Executive Director of the Department of Legislative Services, or otherwise required by law.

At any time, the President of the Senate and the Speaker of the House may request OLA to conduct a performance audit of the local licensing board for a county or the City of Annapolis to evaluate the effectiveness and efficiency of the management practices of the board and of the economy with which the board uses resources.

Additional Comments: OLA advises that the most recent audits for the boards affected by the bill had fewer findings than the previous audits.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Baltimore City; Prince George's County; Department of Legislative Services - Office of Legislative Audits

Fiscal Note History: First Reader - January 23, 2024
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