

Wicomico County

Board of License Commissioners

	212 W. Main Street, Suite 304 Salisbury, Maryland 21801	
BOARD MEMBERS A. Kaye Kenney, Chairman James Allen	Telephone: 410 548-4835 Fax: 410-548-4374 e-mail: <u>ctravis@wicomico.org</u>	STAFF Richard Duvall, Attorney Christine Travis, Administrative Richard Gardner, Chief Inspector Mark Malone, Inspector

The Honorable Dereck E. Davis
Maryland House of Delegates
Chair, Economic Matters Committee
House Office Building, Room 231
6 Bladen St., Annapolis, MD 21401

Re: First Reading HB1319 – Written Testimony

The Wicomico County Board of License Commissioners (the “Board”) is a State agency with three members appointed by the Governor to serve a 4 year term. The current Board members, A. Kaye Kenny, Chair, and James Allen were first appointed by Governor Erhlich and reappointed by Governors O’Malley and Hogan. The Board, like other local Boards, issues Alcohol licenses and enforces the provisions of the State Alcohol law (with local variation) in Wicomico County to include the City of Salisbury.

The Board is financed by Wicomico County. Licensees pay all license fees and assessed fines directly to the Wicomico County Director of Finance.

This letter addresses the anticipated impact and effects of HB 1319 from the perspective of the Wicomico County Board of License Commissioners. No position is taken with respect to the Committee’s vote.

HB 1319, if law, would dismantle and split the administration and enforcement of the State Alcohol Law within the County between the City government and the Board unnecessarily duplicating this governmental function.

The standard mechanism of enforcement of the State Alcohol law, at the local level, is through county boards of license commissioners. This is so in all Maryland Counties except Anne Arundel. Annapolis, our State capital, is the only municipality in the State which administers the State Alcohol Laws independent of its County.

Anne Arundel County administers 553 licenses and the City of Annapolis 116.¹ Wicomico County, as of May 1, 2019 license renewal, administered 146 total licensed establishments, 85 of which are for establishments located within the City of Salisbury with the remaining 61 in the County.² There is a significant population differential between the two counties. The U.S Census - July 2019 population estimate - of Anne Arundel County is 576,031. The same number for Wicomico County is 103,195 of which 32,809 persons reside in the City of Salisbury. The population of Annapolis is a bit larger at 39,174.

FY2019 license fees from licensees located in the City was 84,750.00. An additional 5,050.00 in renewal fees were paid to the County directly by licensees. The County would absorb this loss.

HB 1319 would create a two tiered system in regulation and enforcement of the Alcohol law in Wicomico County.

The Bill permits the direct sale by Class 1 and Class 2 wholesalers of liquor and fortified wine to retail licensees. See, Bill: 28.5 – 501 (A)(2) and (3). Current law provides that Class 1 and 2 wholesalers may not sell or deliver liquor and fortified wine for resale except to a county dispensary. See, Maryland Code, Alcohol beverages Article 32-504 and 32-501(b)(1) and (2).³

By way of further example, the Bill does not incorporate 32-601 which prohibits a licensed establishment within 500 ft. of a school or place of worship. See, Bill: 28.5 1601 – noted as reserved. Note: Downtown Salisbury, as defined in this section, is exempt from the restriction. There are no schools and one church located in this exempt area.

The Bill does not preserve the provisions of 32-401(a) 12 and State law 2-215 which prohibit the wholesale of beer on credit to retailers; 32-1803 which prohibits renewal of license renewal absent evidence licensee current with state and county tax on inventory and personal property; or, 32-1201 which provides for a Caterer's license.

In short, it appears that the Bill has not been well thought through, and creates a different regulatory framework for businesses located in the County and City.

Respectfully,



Richard M. Duvall
Board Attorney

¹ Alcohol & Tobacco Tax Annual Report Fiscal Year 2019 – Comptroller of Maryland.

² Alcohol & Tobacco Tax Annual Report Fiscal Year 2019 – Comptroller of Maryland indicates 149 licenses. Two Class B license holders which also hold a Class A BWL off sale license – one located in the City and one in the County. Also, some establishments carry tasting and off sale refillable container licenses in addition to the standard class license – There are 8 of this type in the City of Salisbury and 11 in the County.

³ The Alcohol Law applicable in Wicomico County is at Title 32 of the Alcohol Beverages Article, Maryland Code.