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HB 916

February 20, 2023

TO: Members of the House Economic Matters Committee
FROM: Nina Themelis, Interim Director of Mayor's Office of Government Relations
RE: House Bill 916 - Baltimore City – Alcoholic Beverages – Violation Procedures and Fines
POSITION: Support

Chair Wilson, Vice Chair Crosby, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 916.

HB 916 makes two key changes to the Board of Liquor License Commissioners (“Liquor Board”)’s authority to handle violations of the law or its Rules by establishments that hold a liquor license it issues. First, HB 916 raises the maximum fine the Board may impose after it has found a violation has occurred from \$3,000 to \$20,000.¹ This authority would grant the Liquor Board more flexibility and tools in crafting punishments for establishments that are either repeat or egregious offenders and where the Board believes license revocation may not be in the public interest, but where \$3,000 monetary fine may not be a sufficient deterrent.

Second, HB 916 authorizes the Board to make an offer of “offer of compromise,”² wherein the Board may look at a fact pattern where a Liquor Board Inspector has observed a violation of the law or the Board’s Rules and choose to make offer of monetary fine to the licensee, if: (1) the licensee voluntarily waives their right to a hearing; (2) admits to the facts and the violation alleged; (3) takes the corrective actions prescribed in the offer; and (4) accepts the monetary penalty offered. Should a licensee agree and accept the offer, the Board must: (1) keep the record of the initial violation alleged in the licensee’s file; (2) issue a written finding that the offer does not impair the promotion of the peace or safety of the community; (3) state the acceptance of the offer at a meeting of the Board; and (4) post the result of the Board’s decision here for the public to view.

This provision of the bill is important, and is analogous in many ways to being able to issue a citation, albeit a citation with a bit more “teeth”, because corrective actions are imposed alongside the monetary penalty. By granting the Board this power, similar to the same authority that already exists in Montgomery County,³ the BCA believes that this new tool will allow the Liquor Board to increase its efficacy in enforcement for certain types of violations. This authority should result in corrective actions taking place more swiftly, while importantly not overburdening the Liquor Board’s hearing docket with a large volume of show cause hearings for offenses that are less serious than violations that do impair the peace or safety of the community.

For these reasons, the BCA respectfully requests a **favorable** report on HB 916.

¹ This would raise the maximum fine in Baltimore City to the same rate as the maximum fine in Montgomery County. See MD Code Ann. Alc. Bev. Art §25–2802(a).

² See “Rules and Regulations of the Board of License Commissioners of Montgomery County, Maryland” at Rule 8 (Jan. 6, 2022), available at <https://www.montgomerycountymd.gov/ABS/resources/files/regulation/montgomery-county-rules-regulations.pdf>.

³ *Id.*