

**Department of Legislative Services**  
Maryland General Assembly  
2018 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 823 (Senator Lee, *et al.*)  
Education, Health, and Environmental Affairs

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**Maryland Commission on Civil Rights - Civil Penalties**

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This bill increases specified minimums and the maximum civil penalties that the Maryland Commission on Civil Rights (MCCR) is authorized to seek if it finds that a respondent has engaged in a discriminatory act regarding public accommodations or specified actions of persons licensed or regulated by the Department of Labor, Licensing, and Regulation (DLLR). If MCCR finds that a discriminatory act was malicious, then the MCCR penalty does not need to adhere to the maximum amounts established in the bill. The bill also establishes that any civil penalties collected are to be paid to the complainant, instead of the general fund.

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**Fiscal Summary**

**State Effect:** The bill’s requirements can be handled with existing resources. The bill does not materially impact general fund revenues.

**Local Effect:** The bill does not materially impact the workload of the circuit courts.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Bill Summary/Current Law:** A “place of public accommodation” includes (1) an inn, hotel, motel, or other lodging establishment; (2) a facility serving food or alcoholic beverages, including facilities on the premises of a retail establishment or gasoline station; (3) entertainment, sports, or exhibition venues; and (4) a public or privately operated retail establishment offering goods, services, entertainment, recreation, or transportation. A separate establishment that holds itself out as serving patrons of one of the above

establishments is also included if (1) it is physically located within the premises of one of the above establishments or (2) it is within the premises of which one of the above establishments is physically located.

Under State law, an owner or operator of a place of public accommodation, or an agent or employee of the owner, may not refuse, withhold from, or deny to any person any of the accommodations, advantages, facilities, or privileges of the place of public accommodation because of the person's race, sex, age, color, creed, national origin, marital status, sexual orientation, gender identity, or disability. Governmental units, officers, and employees are prohibited from discrimination in public accommodations. Any structural changes, modifications, or special equipment that are necessary to accommodate an individual with a disability must be reasonable. A reasonable accommodation is defined as making a place of public accommodation suitable for access, use, and patronage by an individual with a disability without danger to the individual's health or safety and undue hardship or expense to the person making the accommodation.

A person that is licensed or regulated by DLLR may not refuse, withhold from, or deny any person any of the accommodations, advantages, facilities, privileges, sales, or services of the licensed or regulated person or discriminate because of a person's race, sex, creed, color, national origin, marital status, sexual orientation, age, gender identity, or disability.

On a finding that a respondent has engaged in a discriminatory act in relation to the prohibitions against discrimination specified above, MCCR may issue an order for nonmonetary relief and/or assess a civil penalty against a respondent. Civil penalties collected are paid to the general fund; however, pursuant to this bill, collected civil penalties are paid to the complainant.

The statute specifies that if a respondent has not been adjudicated to have committed any prior discriminatory act, the civil penalty may not exceed \$500. The bill increases the applicable maximum award to \$2,500.

The statute specifies that if the respondent has been adjudicated to have committed one other discriminatory act during a specified five-year period, the civil penalty may not exceed \$1,000. The bill establishes that the civil penalty may not be less than \$2,500 and may not exceed \$10,000.

The statute specifies that if the respondent has been adjudicated to have committed two or more discriminatory acts during a specified seven-year period, the amount may not exceed \$2,500. The bill establishes that the civil penalty may not be less than \$5,000 and may not exceed \$25,000.

The bill authorizes MCCR to impose a civil penalty that exceeds the established maximum amounts if it finds that the discriminatory act was malicious.

**Background:** MCCR received 88 complaints of discrimination in public accommodations in fiscal 2017. In its annual report, MCCR noted that public accommodations complaints have always represented a low percentage of the total complaints received annually. It has previously indicated that one of the major factors contributing to the consistently low number of complaints is that the statute does not mandate any type of financial relief for the complainant, as any civil penalties collected are deposited into the State's general fund. It also notes that many places of public accommodation have refused to comply with existing law, which is one of the primary reasons MCCR has consistently supported efforts to improve its enforcement authority and remedies.

**State Expenditures:** Although the enhanced remedies allowed by the bill may result in more individuals pursuing claims of discrimination, any additional workload for MCCR, the Judiciary, or the Office of Administrative Hearings can be handled with existing budgeted resources.

**State Revenues:** MCCR advises that most public accommodations cases are settled administratively or with a finding of no probable cause; it is also unaware of any recent cases where a civil penalty was assessed against a respondent. Accordingly, any potential minimal decrease in general fund revenues does not materially impact State finances.

**Small Business Impact:** Small businesses held liable for discrimination in public accommodations are subject to higher penalties.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 935 (Delegates Cullison and Patterson) - Health and Government Operations.

**Information Source(s):** Maryland Commission on Civil Rights; Judiciary (Administrative Office of the Courts); Department of Labor, Licensing, and Regulation; Department of Legislative Services

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