

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

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

Senate Bill 852 (Senator Patterson)  
Education, Health, and Environmental Affairs

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**Prince George's County - Appointment of Board of License Commissioners -  
Legislative Oversight**

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This bill requires a candidate for the Prince George's County Board of License Commissioners, prior to confirmation by the Senate, to provide letters of recommendation from (1) the Senator who represents the district where the candidate resides, and (2) another Senator of the county. The board must consider the need for geographic, political, racial, ethnic, and gender diversity when considering a candidate as an inspector for the board. Additionally, the board must establish a platform to receive and respond to complaints relating to ethics violations and other violations by members and employees of the board. The Office of Legislative Audits (OLA) must audit the accounts and transactions of the board annually for three years. Beginning September 30, 2020, and for three years thereafter, OLA must report the results of the audits to the General Assembly. **The bill takes effect July 1, 2020.**

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**Fiscal Summary**

**State Effect:** OLA can handle the bill's requirements with existing budgeted resources.

**Local Effect:** Prince George's County can handle the bill's requirements with existing resources.

**Small Business Effect:** None.

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## Analysis

### **Current Law/Background:**

#### *Appointments, Removal, and Qualifications of Board Members*

The Prince George's County Executive must appoint five members to the board subject to confirmation by the Senate and designate a chair from among the members of the board. Members of the board must be (1) a resident of the county and (2) a person of high character and integrity.

The county executive is authorized to appoint an eligible individual to fill a vacancy on the board and remove members of the board for misconduct in office, incompetence, or willful neglect of duty. The Prince George's County Senate Delegation must hold a public confirmation hearing for a nominee to fill an open seat on the board within 60 days of the nomination by the county executive but not less than seven days before a scheduled confirmation vote. If a nominee to the board is not confirmed by the Senate during the following legislative session, the seat must be declared vacant and the county executive must nominate an individual to fill the vacancy.

When evaluating an applicant for membership on the board, the county executive must consider the need for geographic, political, racial, ethnic, and gender diversity on the board. In addition, each member of the board must have (1) legal experience; (2) public safety experience; (3) regulatory experience; or (4) management experience.

#### *Board Inspectors*

The director of the board is authorized to appoint all inspectors. The inspectors are required to periodically visit and inspect every licensed premises and carry out other duties as required by the board. There are up to 3 full-time inspectors and up to 24 part-time inspectors, as provided in the county budget. From the full-time inspectors, the board must designate a chief inspector and 2 deputy chief inspectors. The full-time inspectors must meet standards set by the county merit boards.

#### *Ethics Requirements*

A member of the board may not (1) solicit or receive, directly or indirectly or on behalf of another person, a commission, political contribution, remuneration, or gift from a person engaged in the manufacture, distribution, or sale of alcoholic beverages or an agent or employee of the person or (2) solicit or receive, directly or indirectly, a commission, remuneration, or gift from a license holder.

The Maryland Public Ethics Law generally requires each county, municipality, and local school board to enact provisions governing the public ethics of local officials related to conflicts of interest, financial disclosure, and lobbying. In Prince George's County, members, employees, and inspectors of the board are subject to the county's public ethic laws to the same extent as a local official of the county.

### *Conflicts of Interest*

A member of the board may not (1) have a direct or indirect interest in or on a premises in the State where alcoholic beverages are manufactured or sold, or in a business wholly or partly devoted to the manufacture or sale of alcoholic beverages in the State or (2) own stock in a corporation that has a direct or indirect interest in a premises in the State where alcoholic beverages are manufactured or sold, or in a business wholly or partly devoted to the manufacture or sale of alcoholic beverages in the State.

A board member is prohibited from soliciting or receiving a commission, remuneration, or gift from a person engaged in the manufacture or sale of alcoholic beverages, an agent or employee of the person, or a license holder.

### *Complaints*

A person may file a complaint with the county's Office of Ethics and Accountability (OEA) if the person believes that a member, an employee, or an inspector of the board has violated (1) any provision of civil or criminal law, including laws against bribery, in connection with the performance of the duties of the member, employee, or inspector, or (2) any provision of the county's public ethics laws. If a complaint is filed, the OEA must investigate the complaint and, if appropriate, refer the complaint to the State's Attorney of the county for criminal prosecution.

### *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.

Chapters 811 and 812 of 2017 require OLA to conduct a performance audit of the Prince George's County Board of License Commissioners at least once every three years 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. The most recent performance audit [report](#) was completed in March 2019.

Prior to OLA, the Prince George’s County Office of Audits and Investigations would conduct performance audits of the board; the most recent [audit](#) conducted was in 2013.

The Baltimore City Board of License Commissioners is the only other board of license commissioners that OLA is specifically required to audit by statute. Chapter 263 of 2011 requires OLA to conduct a performance audit of the board 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.

Additionally, 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.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Prince George’s County; Department of Legislative Services - Office of Legislative Audits

**Fiscal Note History:** First Reader - February 26, 2020  
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