

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1253
Economic Matters

(Delegate Wilson)
Education, Health, and Environmental Affairs

Alcohol and Tobacco Commission - Clarifications

This bill authorizes the Executive Director of the Alcohol and Tobacco Commission (ATC) to enter into memoranda of understanding (MOUs) and cooperative arrangements with federal, State, and local governmental units to address operational matters and efficiencies in regulating alcohol and tobacco, as specified. The bill also clarifies and corrects (1) a reference to the applicability of requirements for alcoholic awareness programs and (2) changes made by Chapter 12 of 2019, which established ATC, by specifying that the Executive Director of ATC has appropriate authorities related to the regulation of alcohol and tobacco and correcting statutory references related to the regulation of alcohol and tobacco. **The bill takes effect June 1, 2022.**

Fiscal Summary

State Effect: ATC is likely to experience operational efficiencies from the bill's expanded authority; however, the bill is not otherwise anticipated to materially affect State operations or finances.

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

Small Business Effect: None.

Analysis

Bill Summary/Current Law: Chapter 12 established ATC, beginning June 1, 2020, and transfers personnel, powers, duties, and responsibilities that relate to the regulation of alcoholic beverages and tobacco from the Comptroller's Office (specifically the Field

Enforcement Division (FED)) to ATC. Chapter 12 specified that all duties and responsibilities associated with FED's alcoholic beverages and tobacco regulation functions must continue under ATC. Employees transferred under Chapter 12 retain any merit system and retirement status they may have on the date of transfer and must be transferred without any change or loss of pay, working conditions, benefits, rights, or status. Furthermore, Chapter 12 specified that files, furniture, fixtures, records, other properties, credits, liabilities, and obligations are retained by the appropriate entity under the transfer.

The bill clarifies the applicability of Title 16.9 of the Business Regulation Article, which relates to licensing requirements for remote (out-of-state) tobacco sellers. The bill also makes numerous technical corrections including updating obsolete references to the previous authority of the Comptroller to reference the authority of the Executive Director of ATC in the regulation of alcohol and tobacco.

Generally, under current law, for a premises that is licensed to sell alcoholic beverages with off-sale privileges, or a premises that is licensed with on-sale privileges and sells alcoholic beverages directly to a customer from a bar or service bar, the license holder or specified employees must complete training in an approved alcohol awareness program in order to obtain and retain their alcoholic beverages license. The bill clarifies that the training requirement applies for any premises licensed with on-sale privileges.

The bill's only substantive change authorizes the Executive Director of ATC to enter into MOUs and cooperative arrangements with federal, State, and local governmental units to address operational matters and efficiencies in regulating alcohol and tobacco. Absent the bill, only the commission itself is authorized to enter into MOUs and cooperative agreements in this manner.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Alcohol and Tobacco Commission; Comptroller's Office; Department of Legislative Services

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