

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 972
Finance

(Senator Lam)

Economic Matters

Anne Arundel County - Board of License Commissioners - Alterations

This bill increases, from three to five, the number of members of the Anne Arundel County Board of License Commissioners that the Governor must appoint, alters the appointment process and eligibility requirements for board members, and alters penalties for certain alcoholic beverage violations, as specified. The bill also requires the board to include on all application forms for the issuance or renewal of a license an option for the applicant to provide the applicant's race and ethnicity information, as specified. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: Anne Arundel County expenditures increase by \$35,000 in FY 2026 for salaries and equipment for two new board members and \$30,000 annually thereafter. Anne Arundel County revenues from monetary penalties are not expected to be materially affected.

Small Business Effect: None.

Analysis

Bill Summary: Under the bill, appointments to the board must always be made by the Governor with the advice and consent of the Senate, and no more than two members of the board may be residents of the same State legislative district. Each member of the board must be selected from a list of individuals recommended by members of the Anne Arundel County House or Senate Delegation. An individual may not be appointed to

the board if they served as chief inspector within one year of the date the vacancy is publicly announced, and no more than *three* members of the board may belong to the same political party. The board must also adopt and publish a written policy related to conflicts of interest and the recusal of board members from certain matters.

The board must include an option for a license or renewal applicant to provide the applicant's race and ethnicity information on all application forms; however, the board may not use any race or ethnicity information included on an application as a factor in determining whether to issue or renew the license. By January 15, the board must annually report to the General Assembly on the racial breakdown of disciplinary actions taken by the board in the previous year.

For a violation that is cause for license suspension under county alcoholic beverage laws, the board may:

- for a first offense, impose a fine up to \$1,000;
- for a second offense in the same 24-month period, impose a fine up to \$2,000, or suspend the license, or both; and
- for each subsequent offense in the same 24-month period, impose a fine up to \$2,500, or suspend the license, or both.

Current Law: Maryland's 23 counties, Baltimore City, and the City of Annapolis all have boards of license commissioners who issue and enforce retail alcoholic beverages licenses in their jurisdictions.

The Anne Arundel County Board of License Commissioners has three members, appointed by the Governor. If the Senate is in session, they are appointed with the advice and consent of the Senate as well. Each member of the board must be (1) a resident and voter of the county and (2) an individual of high character, integrity, and recognized business capacity. No more than two members of the board may be of the same political party.

For a violation that is cause for license suspension under county alcoholic beverage laws, the board may suspend a license, impose a fine of up to \$2,500, or both. A fine or suspension is in addition to any other term or condition imposed by the board due to the violation.

Local Expenditures: The board advises that Anne Arundel County salary expenditures will increase by \$30,000 annually beginning in fiscal 2026. Additionally, a one-time expenditure of \$5,000 will be required to provide laptops and supplies to the two new board members.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Anne Arundel County; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2025
rh/tso Third Reader - March 17, 2025
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