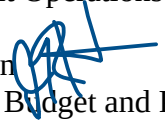




May 1, 2023

MEMORANDUM

TO: Edward P. Burroughs, III, Chair
Government Operations and Fiscal Policy (GOFP) Committee

THRU: Josh Hamlin 
Director of Budget and Policy Analysis Division

FROM: Roger G. Banegas 
Legislative Budget and Policy Analyst

RE: Board of License Commissioners
Fiscal Year 2024 Budget Review

Budget Overview

The FY 2024 Proposed Budget for the Board of License Commissioners is \$2,069,100. This represents an increase of \$175,700, or 9.3%, over the FY 2023 Approved Budget. The increase is largely due to the annualization of FY 2023 salary adjustments, increase in OIT charges based on countywide costs for technology, increase in operating expenses in legal services contract, and an increase in the fringe benefit rate to align with projected costs. The Board of License Commissioners' expenditures are funded entirely by the General Fund.

In FY 2024 the Board does not expect to make a supplemental budget request.

Budget Comparison - General Fund

Actual Fiscal Year 2022 to Proposed Fiscal Year 2024

Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimated	% Change - Est vs App	FY 2024 Proposed	\$ Change	% Change
Compensation	\$ 1,142,668	\$ 1,210,300	\$ 1,215,000	0.4%	\$ 1,345,700	\$ 135,400	11.2%
Fringe Benefits	369,709	452,100	401,100	-11.3%	462,900	10,800	2.4%
Operating Expenses	219,623	231,000	234,000	1.3%	260,500	29,500	12.8%
Total	\$ 1,732,000	\$ 1,893,400	\$ 1,850,100	-2.3%	\$ 2,069,100	\$ 175,700	9.3%

Authorized Staffing Count - General Fund

	FY 2023 Approved	FY 2024 Proposed	Change Amount	Percentage Change
Full-Time	9	9	0	0.0%
Part-Time	19	19	0	0.0%
Total	28	28	0	0.0%

Staffing Changes and Compensation

- FY 2024 compensation is proposed at approximately \$1.3 million, an increase of \$135,400, or 11.2%, above the FY 2023 Approved Budget. This increase is primarily due to the annualization of prior year salary increases and FY 2024 planned merit and COLA adjustments.
- The authorized staffing level for the FY 2024 Proposed Budget remains unchanged at nine (9) full-time positions. As of March 10, 2023, the Board reported that all nine (9) of the full-time positions are filled.
- The FY 2024 Proposed Budget also includes authorization for nineteen (19) part-time positions. This staffing level remains unchanged from the authorized staffing level in FY 2023. The Board reported seven (7) vacant part-time positions as of March 10, 2023. All seven (7) of these vacant part-time positions will not be funded in FY 2024.

Fringe Benefits

- Fringe benefit expenditures are proposed to increase by \$10,800, or 2.4%, over the FY 2023 Approved Budget to align with anticipated costs.
- A five-year trend analysis of fringe benefit expenditures is included below.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Approved	FY 2024 Proposed
Fringe Benefit Expenditures	\$ 320,668	\$ 400,201	\$ 369,709	\$ 452,100	\$ 462,900
Compensation	\$ 933,197	\$1,145,704	\$ 1,142,668	\$ 1,210,300	\$ 1,345,700
As a % of Compensation	34.4%	34.9%	32.4%	37.4%	34.4%

Operating Expenses

- The FY 2024 operating expenses are proposed at \$260,500, an increase of \$29,500, or 12.8%, over the FY 2023 approved level. The major items comprising operating expenses are as follows:

- Office Automation	\$136,900
- General & Admin. Contracts	45,000
- Telephone	20,500
- Mileage Reimbursement	15,500

Operating Objects	FY 2023 Approved	FY 2024 Proposed	FY 2023 - FY 2024	
			\$ Change	% Change
Office Automation	\$119,400	\$136,900	\$17,500	14.7%
General & Administrative Contracts	40,000	45,000	5,000	12.5%
Advertising	9,000	12,000	3,000	33.3%
Training	9,000	8,000	(1,000)	-11.1%
Mileage Reimbursement	12,500	15,500	3,000	24.0%
Equipment Lease	2,100	2,100	-	0.0%
General Office Supplies	10,000	10,000	-	0.0%
Miscellaneous (investigative support)	6,000	9,000	3,000	50.0%
Printing	2,500	1,500	(1,000)	-40.0%
Telephone	20,500	20,500	-	0.0%
TOTAL	\$ 231,000	\$ 260,500	\$ 29,500	12.8%

- The most significant increase between the FY 2024 Proposed Budget and the FY 2023 Approved Budget is Office Automation (\$17,500 increase), because of an increase in countywide charges by the Office of Information Technology.

Workload and Program Impact

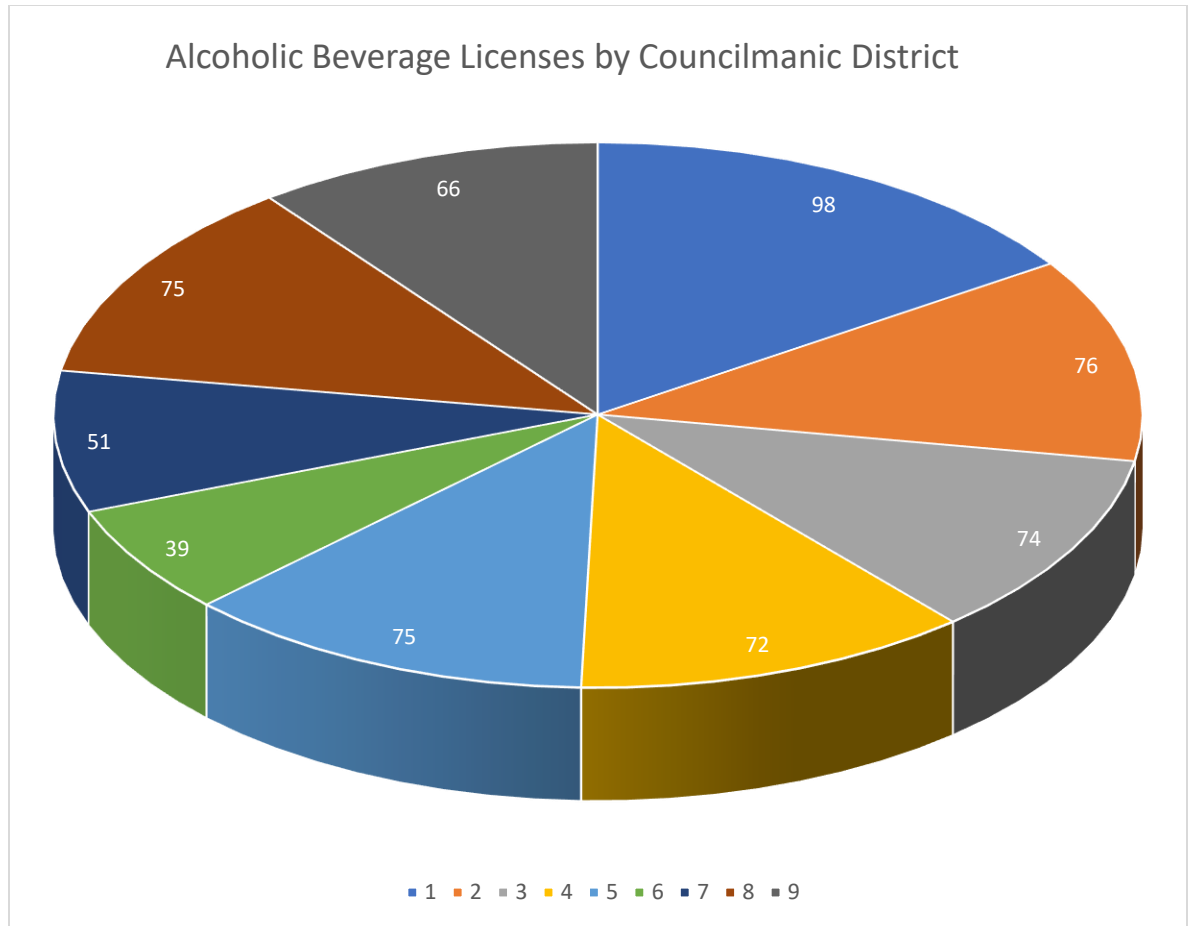
Highlights

- The Board reported that it enhanced the inspection process through accountability, professionalism, and continuity in FY 2023.
- In FY 2023, the Board increased customer outreach to reduce license violations.
- The Board also increased undercover operations to target problematic businesses.
- In FY 2023 (As of February 28, 2023) the Board has adjudicated forty-five (45) Alcoholic Beverage Violations, with twenty-eight (28) being adjudicated for Sale to a Minor.
- The Board has acquired two (2) 1000-hour employees, which has increased the number of underage investigations. The number is expected to double by the end of FY 2023.
- The Board anticipates continuing virtual hearings in FY 2024 as they are found to be more efficient, productive, and save costs.

- The Board plans to increase the percentage of licensed premises refusing to sell to underage volunteer operatives. In FY 2024, the Board will start moving away from using volunteer minor operatives. There will be an increase in compliance checks per licensed premise from the estimated 12.9 in FY 2023 to 13.5 in FY 2024 with a projected goal of 77% of Licensed businesses refusing to sell to underage volunteer operatives.
- The Board plans to increase the percentage level of establishments in compliance with the Special Entertainment provisions. In FY 2024, the Board plans to conduct 612 inspections for entertainment, compared to 999 inspections in FY 2022 and an estimated 576 inspections in FY 2023.
- The Board plans to increase the percentage of establishments with compliant tax accounts with the State of Maryland and Prince George's County Government. In FY 2024, the Board projects that 100% of the licensed premises in the County will have compliant tax accounts. This is unchanged from 100% in FY 2022 and the estimated percentage for FY 2023.
- The Board plans to decrease the duration to complete a violation notice hearing. In FY 2024, the Board projects that the days between a violation being written to the time of the hearing is sixty-three (63) days. This is unchanged from sixty-three (63) days in FY 2022 and the estimated days for FY 2023.
- All five (5) Board Commissioners are appointed by the County Executive, as required by HB 1317, and serve a three-year term. The current Board Commissioners are as follows:

Daphne Turpin Forbes, Chairwoman
Armando Camacho, Vice-Chairman
Tammy D. Sparkman, Commissioner
Tammie Norman, Commissioner
Dennis Smith, Commissioner

- In FY 2022, the Board collected approximately \$3.4 million in revenue for approximately 620 licensed premises in the County. The Board states that FY 2022 actuals included licensing fees that were deferred due to the pandemic but were eventually recouped. Below is a breakdown of alcoholic beverage licenses by Councilmanic District in Fiscal Year 2023 to date (See **Attachment 1 and the 5 maps** for a description of the types of licenses issued by the Board.) Estimated FY 2023 total revenues for permits/licenses, administrative fees and fines/penalties are \$3 million. The proposed revenue projection for FY 2024 is approximately \$3.5 million.



- The Board projects that revenues for Class B and Class C License and Permit Fees will increase in FY 2024 compared to the FY 2023 estimated revenue, while revenues from Class A and Class D License and Permit Fees will decrease in FY 2024. Revenues generated from Administrative Fees are expected to increase while revenues from Fines are expected to decrease in FY 2024. See summary of anticipated revenue, by category, below.

Revenue Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimated	FY 2024 Proposed	\$ Change FY22 App. vs FY23 Prop.	% Change FY23-FY24
Class A License and Permit Fees	\$515,780	\$660,000	\$660,000	\$526,100	(\$133,900)	-20%
Class B License and Permit Fees	2,474,825	1,710,000	1,710,000	2,524,300	814,300	48%
Class C License and Permit Fees	98,673	90,000	90,000	100,600	10,600	12%
Class D License and Permit Fees	86,285	90,000	90,000	88,000	(2,000)	-2%
Administrative Fees	183,013	120,000	120,000	186,700	66,700	56%
Fines	89,500	330,000	330,000	91,300	(238,700)	-72%
Total	\$3,448,076	\$3,000,000	\$3,000,000	\$3,517,000	\$517,000	17%

- A breakdown of the total number of violations and the fines collected, by violation type, is provided below.

Violation Description	FY 2021		FY 2022		FY 2023 (YTD)	
	# of Violations	Fines	# of Violations	Fines	# of Violations	Fines
After hours	0	\$ -	0	\$ -	0	\$ -
After hours; Bottle Service Special Entertainment Permit	0	\$ -	2	\$ 9,000.00	1	\$ 1,500.00
Failure to Comply with Board	0	\$ -	0	\$ -	0	\$ -
Failure to Comply with Workers Comp.	0	\$ -	0	\$ -	0	\$ -
Growler without a permit	0	\$ -	0	\$ -	0	\$ -
Public Nuisance	0	\$ -	0	\$ -	0	\$ -
Purchase from other than Wholesaler	2	\$ 3,000.00	3	\$ 4,500.00	4	\$ 7,500.00
Sale to a Minor	38	\$ 65,000.00	32	\$ 51,500.00	28	\$ 58,500.00
Special Entertainment Permit	0	\$ -	4	\$ 11,000.00	3	\$ 6,000.00
Sunday Sales Without a Sunday Sale Permit	0	\$ -	0	\$ -	0	\$ -
Threat to Peace and Safety	0	\$ -	0	\$ -	0	\$ -
Threat to Peace and Safety; Minor on Premises with a Special Entertainment Permit	0	\$ -	0	\$ -	0	\$ -
Fraud on Application	0	\$ -	0	\$ -	0	\$ -
Pecuniary Interest	0	\$ -	0	\$ -	0	\$ -
Noise	1	\$ 1,500.00	0	\$ -	0	\$ -
Beverages from Faucets, Spigots, etc.; Labeling	1	\$ 1,500.00	0	\$ -	0	\$ -
Alteration	5	\$ 16,000.00	0	\$ -	0	\$ -
Trade Name	2	\$ 4,500.00	0	\$ -	0	\$ -
County Executive/Governor's Order	11	\$ 21,000.00	0	\$ -	0	\$ -
Restaurant	0	\$ -	0	\$ -	0	\$ -
Consumption	1	\$ 1,500.00	0	\$ -	0	\$ -
License Responsibility	1	License Suspended for 30 days	0	-	0	\$ -
Noise	0	\$ -	0	\$ -	0	\$ -
Total	62	\$ 114,000	41	\$ 76,000	36	\$ 73,500

Attachment 1 - Description of Licenses

Attachment #1

Pursuant to Alcoholic Beverage Articles of the Annotated Code of Maryland the Board of License Commissioners is prohibited from issuing any license with an off-sale privilege. All licenses issued are for on the premises sales only.

CLASSES OF LICENSES:

Class A License	Off Sale only, six (6) days a week; No sales of alcoholic beverages on Sunday
Class B License	On Sale seven (7) days for sale of beer and wine, six (6) days for sale of alcohol over 15.5% by volume
Class C License	On Sale only, seven (7) days
Class D License	On Sale, seven (7) days

DESCRIPTION OF CLASS OF LICENSES AND HOURS OF SALES

Class A Beer	Off sale of beer only from 6:00 a.m. to 12:00 midnight, Monday through Saturday. No sales are permitted on Sunday. Consumption on the premises is prohibited.
Class A Beer and Wine	Off sale of beer and wine only from 6:00 a.m. to 12:00 midnight, Monday through Saturday. No sales are permitted on Sunday. Consumption on the premises is prohibited.
Class A Beer, Wine & Liquor	Off sale of beer, wine and liquor from 6:00 a.m. to 12:00 midnight, Monday through Saturday. No sales are permitted on Sunday. Consumption on the premises is prohibited.
Class B, Beer	On sale consumption of beer only from 6:00 a.m. to 2:00 a.m., seven (7) days a week with meals available. Licenses issued prior to July 1, 1975, may exercise off sale privileges.
Class B, BBS Beer and Wine	On sale consumption of beer and light wine from 6:00 a.m. to 2:00 a.m. Monday through Sunday. No Special Entertainment Permit required. Issued for Baseball Stadiums.
Class B, FBS Beer and Wine	On sale consumption of beer and light wine from 6:00 a.m. to 2:00 a.m. Sunday and Liquor through Saturday. No Special Entertainment Permit required. Issued for Football Stadiums.
Class B Beer and Wine	On sale consumption of beer and wine only from 6:00 a.m. to 2:00 a.m., seven (7) days a week with meals available at all times. Licenses issued prior to July 1, 1975 may exercise off sale privileges.
Class B, (GC) Beer, Wine & Liquor	On sale consumption from 9:00 a.m. to 10:00 p.m. of beer, wine and liquor seven (7) days a week. Exclusively for the use on the premises of the M-NCPPC golf courses located within Prince George's County.

Attachment #1

Class B, Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer and wine from 8:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. A special Sunday Sales Permit is required (R.R. No. 66) for on sale consumption of liquor on Sunday pursuant with the permit, liquor may be consumed Sunday from 12:00 noon to 2:00 a.m. On Friday and Saturday premises with approved entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.
Class B(R) Beer, Wine & Liquor	THIS DESCRIPTION APPLIES TO LICENSES ISSUED PRIOR TO OCTOBER 1996 - On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer and wine from 8:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. This license allows off sales over or contiguous to the main bar in the main dining room of beer, wine and liquor Monday through Saturday from 6:00 a.m. until 12:00 midnight and beer and wine on Sunday. No off sale of liquor is permitted on Sunday. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.
Class B+ Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday with on sale consumption of beer, wine and liquor from 8:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. This license permits a separate portion to be utilized exclusively for off sale but only when meals are available to be served in the restaurant. In the separate portion the sale of beer, wine and liquor is permitted Monday through Saturday from 8:00 a.m. until 12:00 midnight and beer and wine on Sunday. No off sale of liquor is permitted on Sunday. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.
Class B, AE	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday and 8:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor until 3:00 a.m. Eligible only for an establishment in the arts and entertainment district as approved by the County Council in Council Resolution CR-83-2001.
Class B, BH	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer, wine and liquor 10:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m. No Sunday Sales Permit is required.

Attachment #1

Class B, BLX Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer, wine and liquor from 8:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.
Class B, BCE Catering	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer, wine, and liquor from 6:00 a.m. to 2:00 a.m. on Sunday with food available. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.
Class B, CC Beer, Wine & Liquor	On sale consumption of beer, wine and liquor Sunday through Saturday from 6:00 a.m. to 2:00 a.m. with meals available at all times. No Special Entertainment Permit Required. Issued to Convention Centers.
Class B, DD Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday and 8:00 a.m. to 2:00 a.m. on Sunday. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor until 3:00 a.m. Eligible only for an establishment in the developmental districts as outlined and restricted by Section 26-1614 of the Alcoholic Beverage Article of the Annotated Code of Maryland.
Class B, EC Beer, Wine & Liquor	On sale consumption of beer, wine and liquor at all times. No Special Entertainment Required. Issued to a casino.
Class B, ECF Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday and 8:00 a.m. to 2:00 a.m. on Sunday. No Special Entertainment Permit required. For the University College Center for Adult Education of the University of Maryland. Educational Conference Facility.
Class B, ECF/DS Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday and 8:00 a.m. to 2:00 a.m. on Sunday. No Special Entertainment Permit required. For the University College Center for Adult Education of the University of Maryland. Educational Conference Facility/Dining Service.
Class B, ECR Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday and 8:00 a.m. to 2:00 a.m. on Sunday. No Special Entertainment Permit required. Issued for the Equestrian Center.
Class B, EF Beer, Wine & Liquor	On sale consumption of beer, wine and liquor at all times. No Special Entertainment Required. Issued to a casino bar.

Attachment #1

Class B, MB/22 Liquor	On sale consumption of liquor by the drink Monday through Saturday 6:00 a.m. to 2:00 a.m. and 8:00 a.m. Sunday to 2:00 a.m. on Monday. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of liquor until 3:00 a.m. Issued for a microbrewery.
Class B, RT Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Sunday. Must submit days license is to be put in use. May be granted to an agricultural association, or other association authorized to conduct racing under Title 11 of the Business Regulation Article where restaurant facilities are available, or another approved organization on a day where there is an event other than racing.
Class B, TP Beer, Wine & Liquor	On sale consumption of beer, wine and liquor Sunday through Saturday from 6:00 a.m. to 2:00a.m. No Special Entertainment Permit required. Issued for Theme Parks.
Class C Beer	On sale consumption from 6:00 a.m. to 2:00 a.m. seven (7) days.
Class C Beer and Wine	On sale consumption from 6:00 a.m. to 2:00 a.m. seven (7) days.
Class C Beer, Wine & Liquor Fraternal, Veterans, Yacht Club, Country Club, Golf & Country Club	On sale consumption from 6:00 a.m. to 2:00 a.m., seven (7) days limited to members and their guests except in the case of a Country Club where customers may also consume alcoholic beverages.
Class D Beer	On sale licenses issued pursuant to Rule and Regulation Number 22 the hours of on sale consumption are 6:00 a.m. to 2:00 a.m. with no food requirements. This is a seven (7) day on sale license.
Class D Beer and Wine	On sale licenses issued pursuant to Rule and Regulation Number 22 the hours of on sale consumption are 6:00 a.m. to 2:00 a.m. with no food requirements. This is a seven (7) day on sale license.
Class D(R) Beer	THIS DESCRIPTION APPLIES TO LICENSES ISSUED PRIOR TO OCTOBER 1996 - On sale consumption are 6:00 a.m. to 2:00 a.m. seven (7) days a week with off sale service from 6:00 a.m. to 12:00 midnight with no food requirements. Licenses issued prior to October 1996 may sell beer and wine on and off sale seven (7) days a week.

Attachment #1

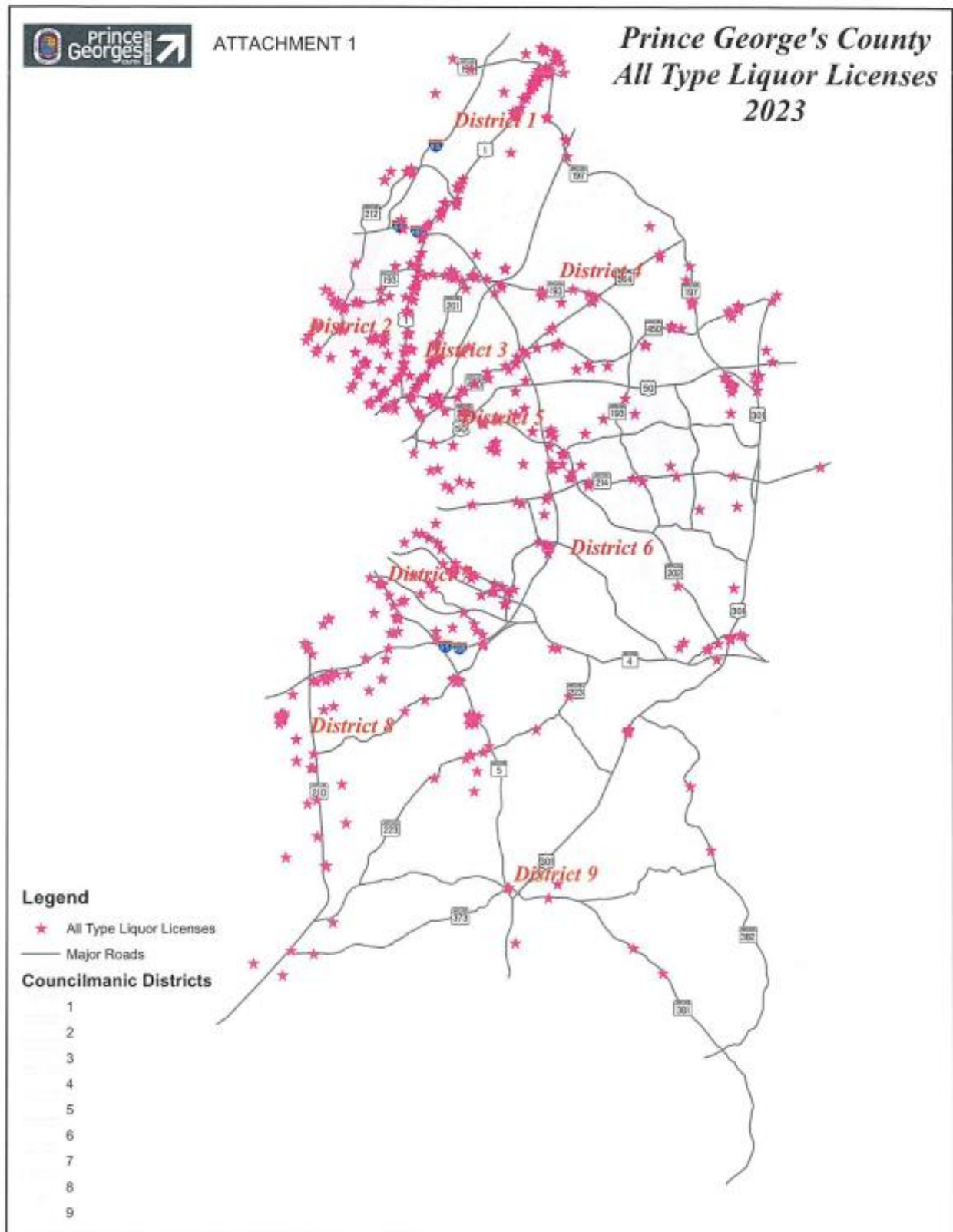
Class D(R)
Beer and Wine

THIS DESCRIPTION APPLIES TO LICENSES ISSUED PRIOR TO OCTOBER 1996 - On sale consumption are 6:00 a.m. to 2:00 a.m. seven (7) days a week with off sale service from 6:00 a.m. to 12:00 midnight with no food requirements. Licenses issued prior to October 1996 may sell beer and wine on and off sale seven (7) days a week.

Class D, NH
Beer and Wine

On and off sale consumption of beer and wine Monday through Sunday 6:00 a.m. to 2:00 a.m. with no off sale after 12:00 a.m. midnight. Issued to establishments at the National Harbor.

Attachment 2 - Maps of Licensees by Councilmanic District





ATTACHMENT 2

*Prince George's County
All A Type Liquor License.
2023*

Legend

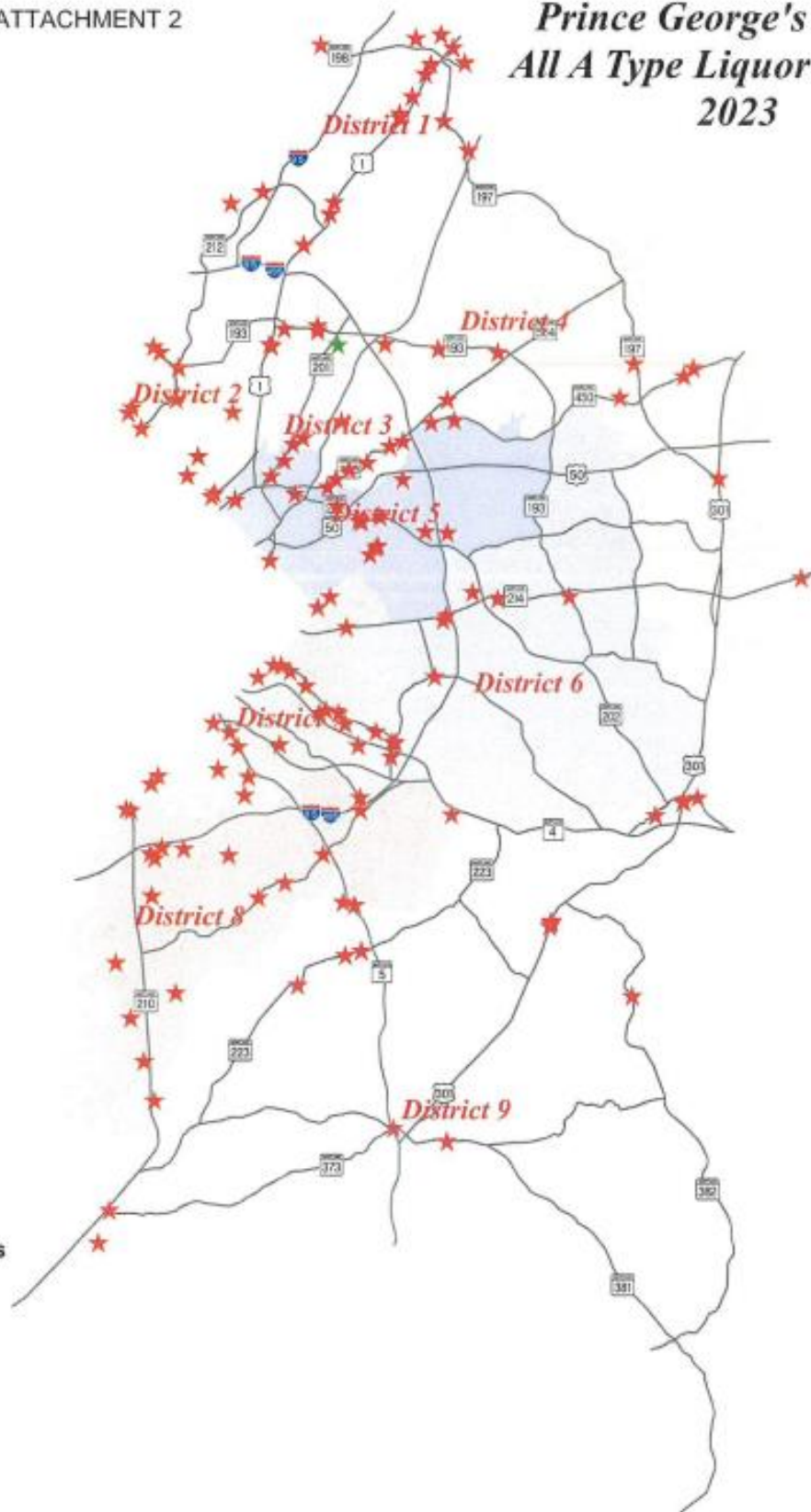
License Type

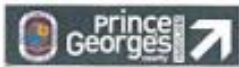
- ★ AL
- ★ AW

— Major Roads

Councilmanic Districts

- 1
- 2
- 3
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- 9





ATTACHMENT 3

Prince George's County All B Type Liquor License 2023

Legend

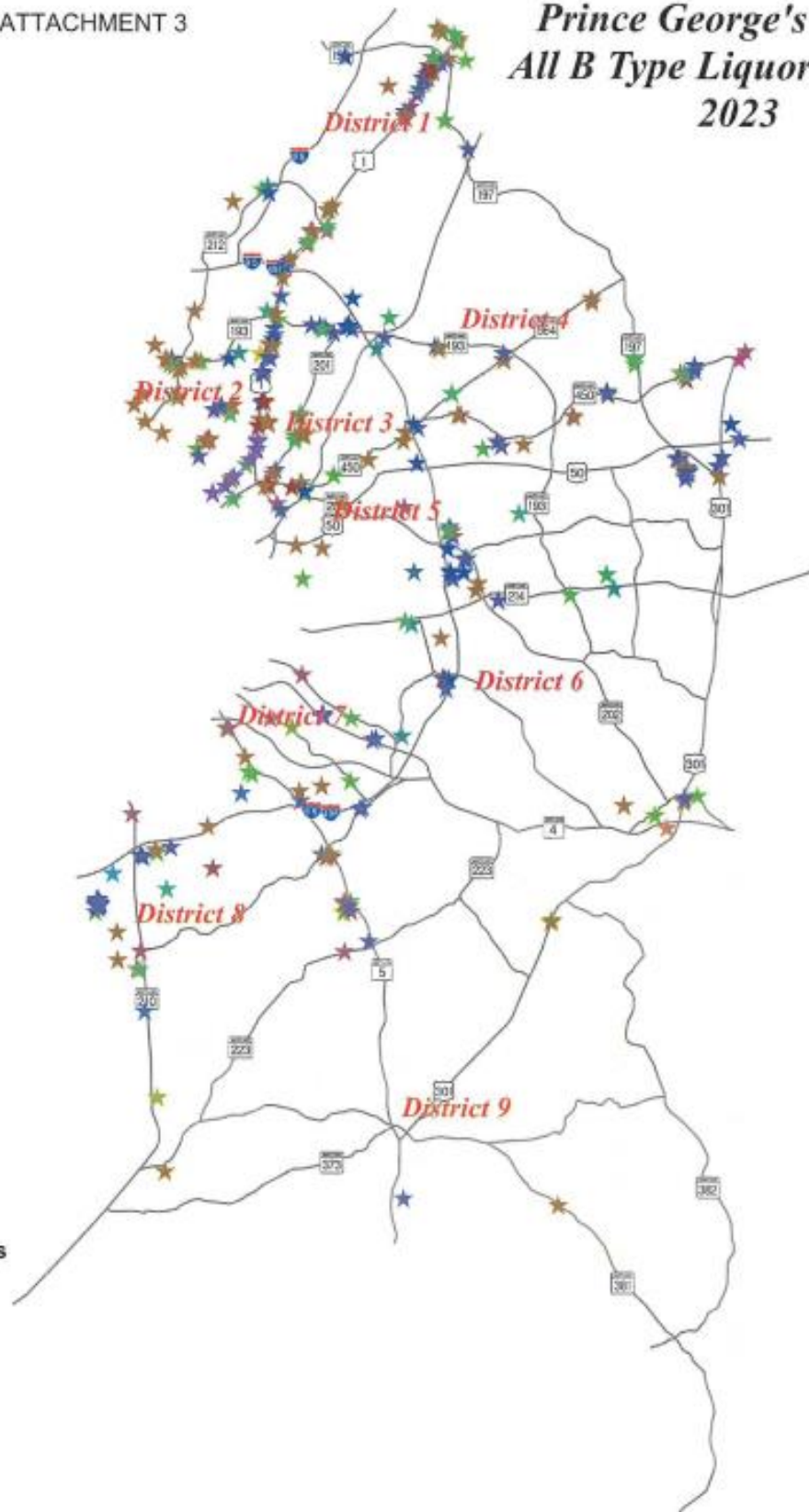
License Type

- ★ B
- ★ B(AE)
- ★ B(DD)
- ★ B(EC)
- ★ B(EF)
- ★ B(GC)BL
- ★ B(MB/22)
- ★ B(R)
- ★ B(TP)
- ★ B, ECF
- ★ B, ECF/DS
- ★ B, ECR
- ★ B, FBS
- ★ B, RT
- ★ B-CC
- ★ BBS
- ★ BCE
- ★ BH
- ★ BL
- ★ BL(R)
- ★ BL+
- ★ BLX
- ★ BW
- ★ BW(R)

— Major Roads

Councilmanic Districts

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ATTACHMENT 4

*Prince George's County
All C Type Liquor License:
2023*

Legend

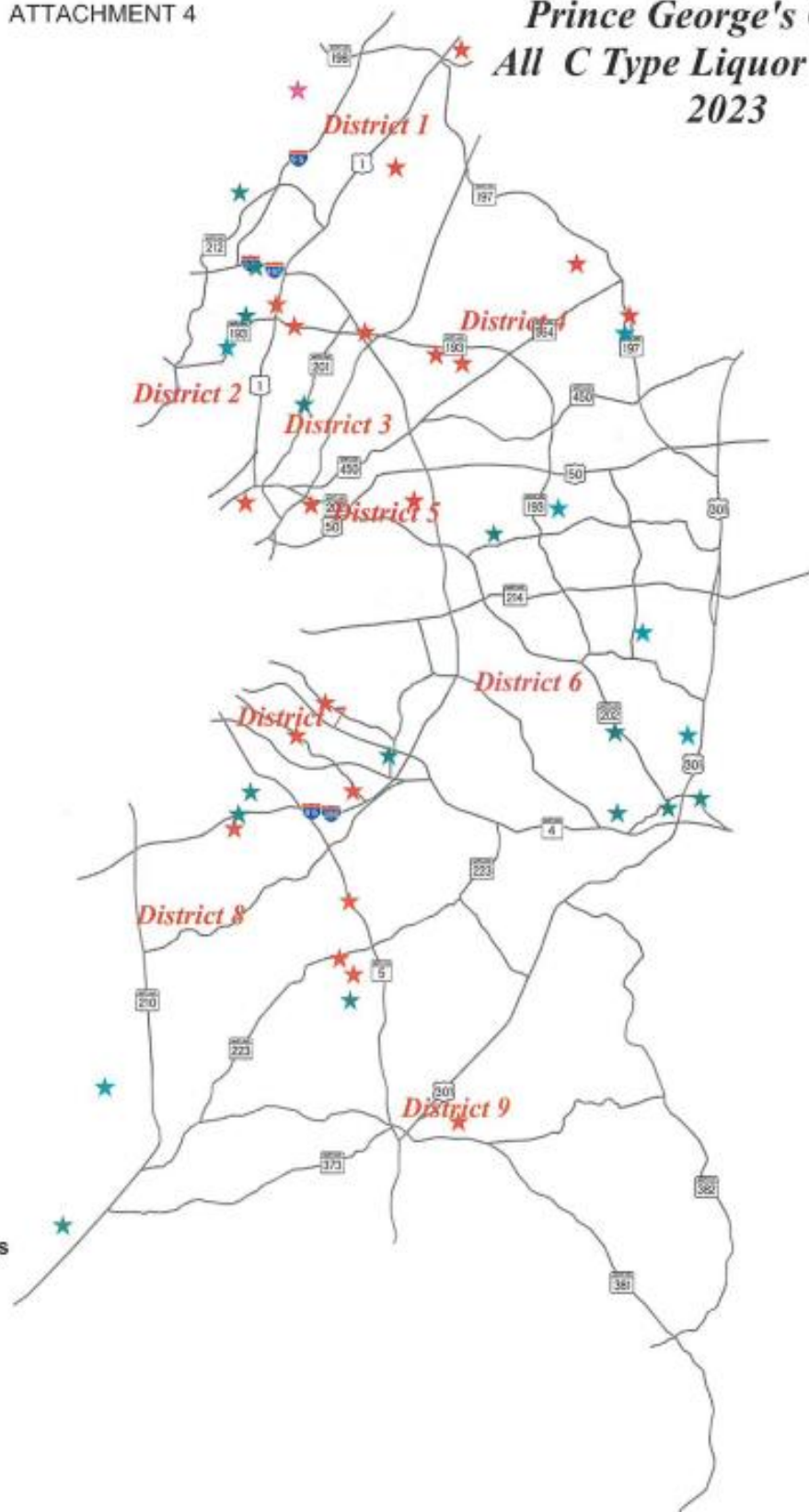
License Type

- ★ C,FRATERNAL
- ★ C,GCC
- ★ C,VETERANS
- ★ CW

— Major Roads

Councilmanic Districts

- 1
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- 9





ATTACHMENT 5

*Prince George's County
All D Type Liquor License
2023*

