

# HOUSE BILL 792

P5, A1

(7lr2810)

## ENROLLED BILL

— Economic Matters/Budget and Taxation —

Introduced by **Delegates Barkley, Arentz, Branch, Brooks, S. Howard, Lisanti, and W. Miller**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Office of Legislative Audits – Performance Audits of Boards of License**  
3 **~~Commissioners – Required – Local Alcoholic Beverages Licensing Boards~~**

4 FOR the purpose of requiring the Office of Legislative Audits, at ~~least once every certain~~  
5 ~~number of years~~ any time on request of certain officers, to conduct a certain  
6 performance audit of the ~~Board of License Commissioners~~ local alcoholic beverages  
7 licensing board for ~~each a county and or the City of Annapolis, rather than for only~~  
8 ~~Baltimore City; altering the frequency with which the Office is required to audit the~~  
9 ~~Board of License Commissioners for Baltimore City; authorizing the employees and~~  
10 ~~authorized representatives of the Office of Legislative Audits to have access to certain~~  
11 ~~records for a certain purpose; exempting certain audit reports from the requirement~~  
12 ~~that the Legislative Auditor send copies of audit reports to certain individuals;~~  
13 ~~requiring certain audit reports to be sent to certain persons;~~ and generally relating to  
14 performance audits conducted by the Office of Legislative Audits.

### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber/conference committee amendments.*



BY repealing and reenacting, with amendments,  
 Article – State Government  
 Section 2–1220(f), *2–1223(a), and 2–1224(a), (d), and (e)*  
 Annotated Code of Maryland  
 (2014 Replacement Volume and 2016 Supplement)

*BY repealing and reenacting, without amendments,*  
*Article – State Government*  
*Section 2–1224(b) and (c)*  
*Annotated Code of Maryland*  
*(2014 Replacement Volume and 2016 Supplement)*

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 That the Laws of Maryland read as follows:

### Article – State Government

2–1220.

(f) (1) At least once every ~~4~~ 6 years, the Office of Legislative Audits shall conduct a performance audit of the Board of ~~Liquor~~ License Commissioners ~~for Baltimore City~~ ~~FOR EACH COUNTY AND THE CITY OF ANNAPOLIS~~ to evaluate the effectiveness and efficiency of the management practices of ~~the Board~~ ~~EACH BOARD~~ and of the economy with which ~~the Board~~ ~~EACH BOARD~~ uses resources.

**(2) AT ANY TIME ON REQUEST OF THE PRESIDENT AND THE SPEAKER, THE OFFICE SHALL CONDUCT A PERFORMANCE AUDIT OF THE LOCAL LICENSING BOARD, AS DEFINED IN § 1–101 OF THE ALCOHOLIC BEVERAGES ARTICLE, FOR A COUNTY OR FOR 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.**

~~(2)~~ (3) The performance audit shall focus on operations relating to liquor inspections, licensing, disciplinary procedures, and management oversight.

2–1223.

*(a) (1) Except as prohibited by the federal Internal Revenue Code, during an examination, the employees or authorized representatives of the Office of Legislative Audits shall have access to and may inspect the records, including those that are confidential by law, of any unit of the State government or of a person or other body receiving State funds, with respect to any matter under the jurisdiction of the Office of Legislative Audits.*

(2) In conjunction with an examination authorized under this subtitle, the access required by paragraph (1) of this subsection shall include the records of contractors and subcontractors that perform work under State contracts.

(3) The employees or authorized representatives of the Office of Legislative Audits shall have access to and may inspect the records, including those that are confidential by law, of:

(i) any local school system to perform the audits authorized under § 2-1220 of this subtitle or in accordance with a request for information as provided in § 5-114(d) of the Education Article; [and]

(ii) the Board of Liquor License Commissioners for Baltimore City to perform the audits authorized under [§ 2-1220(f)] § 2-1220(F)(1) of this subtitle; AND

**(III) THE BOARD OF LICENSE COMMISSIONERS FOR A COUNTY OR FOR THE CITY OF ANNAPOLIS TO PERFORM THE AUDITS AUTHORIZED UNDER § 2-1220(F)(2) OF THIS SUBTITLE.**

2-1224.

(a) In this section, "unit" includes:

**(1) the Board of Liquor License Commissioners for Baltimore City; AND**

**(2) THE BOARD OF LICENSE COMMISSIONERS FOR A COUNTY OR FOR THE CITY OF ANNAPOLIS SUBJECT TO AN AUDIT UNDER § 2-1220(F)(2) OF THIS SUBTITLE.**

(b) Except with the written approval of the Legislative Auditor, an employee or authorized representative of the Office of Legislative Audits shall submit any report of findings only to the Legislative Auditor.

(c) (1) On the completion of each examination, the Legislative Auditor shall submit a full and detailed report to the Joint Audit Committee.

(2) A report shall include:

(i) the findings;

(ii) any appropriate recommendations for changes in record keeping or in other conduct of the unit or body that is the subject of the report; and

(iii) any response of that unit or body, subject to procedures approved by the Joint Audit Committee.

(d) The Legislative Auditor shall send a copy of the report to:

(1) the President of the Senate and the Speaker of the House of Delegates;

(2) the Chairmen of the Senate Budget and Taxation and House Appropriations Committees;

(3) members of the General Assembly, subject to § 2-1246 of this subtitle;

(4) the Governor, unless the report is of the Board of Liquor License Commissioners for Baltimore City OR THE BOARD OF LICENSE COMMISSIONERS FOR A COUNTY OR FOR THE CITY OF ANNAPOLIS SUBJECT TO AN AUDIT UNDER § 2-1220(F)(2) OF THIS SUBTITLE;

(5) the Comptroller;

(6) the State Treasurer, unless the report is of the Board of Liquor License Commissioners for Baltimore City OR THE BOARD OF LICENSE COMMISSIONERS FOR A COUNTY OR FOR THE CITY OF ANNAPOLIS SUBJECT TO AN AUDIT UNDER § 2-1220(F)(2) OF THIS SUBTITLE;

(7) the Attorney General, unless the report is of the Board of Liquor License Commissioners for Baltimore City OR THE BOARD OF LICENSE COMMISSIONERS FOR A COUNTY OR FOR THE CITY OF ANNAPOLIS SUBJECT TO AN AUDIT UNDER § 2-1220(F)(2) OF THIS SUBTITLE;

(8) the unit or body that is the subject of the report;

(9) the Secretary of Budget and Management, unless the report is of the Board of Liquor License Commissioners for Baltimore City OR THE BOARD OF LICENSE COMMISSIONERS FOR A COUNTY OR FOR THE CITY OF ANNAPOLIS SUBJECT TO AN AUDIT UNDER § 2-1220(F)(2) OF THIS SUBTITLE;

(10) the Executive Director; and

(11) any other person whom the Joint Audit Committee specifies.

(e) In addition to the requirements of subsection (d) of this section, each report of:

(1) a local school system shall be distributed to the chair of the House Ways and Means Committee and the cochairs of the Joint Committee on the Management of Public Funds; [and]

(2) the Board of Liquor License Commissioners for Baltimore City shall be distributed to the chair of the Baltimore City delegation and the chair of the Baltimore City senators; AND

1                   (3) THE BOARD OF LICENSE COMMISSIONERS FOR A COUNTY OR FOR  
2 THE CITY OF ANNAPOLIS SUBJECT TO AN AUDIT UNDER § 2-1220(F)(2) OF THIS  
3 SUBTITLE SHALL BE DISTRIBUTED TO:

4                   (I) THE GOVERNING BODY, AS DEFINED IN § 1-101 OF THE  
5 LOCAL GOVERNMENT ARTICLE, OF THE COUNTY OR THE CITY OF ANNAPOLIS;

6                   (II) THE CHAIR OF THE COUNTY'S HOUSE DELEGATION TO THE  
7 GENERAL ASSEMBLY; AND

8                   (III) THE CHAIR OF THE COUNTY'S SENATE DELEGATION TO THE  
9 GENERAL ASSEMBLY.

10           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11   October 1, 2017.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.