

March 13, 2017

The Honorable Joan Carter Conway, Chair Education, Health and Environmental Affairs Committee Miller Senate Office Building 2 West Wing 11 Bladen St. Annapolis, MD 21401 - 1991

RE: Opposition to SB 1087 – Alcoholic Beverages – Protest of License Renewal.

Dear Honorable Chairwoman Conway and Members of the Committee:

On behalf of Community Law Center, Inc., and our Baltimore City community association clients, I urge the members of the committee to vote against SB 1087.

Community Law Center, Inc. is a legal services organization that represents nonprofit community-based organizations throughout the state of Maryland. Community Law Center often represents community groups before the Baltimore City Board of Liquor License Commissioners (BLLC) when a liquor-licensed establishment is operating to the detriment of a neighborhood.

We respectfully request that you vote no for two main reasons: (1) the bill fundamentally misunderstands and subverts the purpose of protest of renewal hearings and (2) logistically, it would be extremely difficult to implement, due to the timing of the license year and unreasonably high costs imposed on Baltimore City residents.

First, the bill fundamentally misunderstands the purpose of protest of renewal hearings. In 2008, the Court of Appeals of Maryland held in *Pridgeon v. Bd. Of License Comm'rs* that:

"the question of renewal is not a matter between the licensee and the protestant. It is a matter between the licensee and the Board, which, in order to issue or renew a license, must, *inter alia*, determine that the licensee and the licensed premises meet certain requirements. ... Once a protest hearing is instituted, the Board must evaluate the licensee and licensed premises in light of these requirements, and if the requirements are not met, no action by the protestant can serve to waive them.

A protest filed ... serves as a signal to the Board that the licensed establishment may not be meeting [] standards. ... At that point, the Board is required to look into any possible problems that would require the denial of a renewal. This is done through a hearing... The filing of a protest does not confer any special standing upon the protestant; its effect is solely on the Board, which is then required to make an inquiry by way of hearing."

As the above-cited case makes very clear, protestants are not parties to the case, so any outcome of any mediation process with the licensee is irrelevant to whether the Board has the duty to consider the renewal of the case. At protest of renewal hearings, any person may be heard on either side of the question. To remove the right of any member of the public to testify at a public hearing because of the results of a private mediation would be to harm "the rights of the others attending the hearing to be heard on the matter." Those who wish to testify at a

public protest of renewal hearing are not required to notify the Board or the licensee; their rights to testify would be abridged by this bill.

This proposal subverts the aims and goals of a protest of renewal hearing. It takes the responsibility to investigate and regulate from the shoulders of the agency's commissioners, where it belongs, and puts that responsibility to regulate alcoholic beverages licensees onto community members. These community members could then presumably be required to spend significant amounts of money and time to come to an agreement with licensees, which community members would then also have to monitor and enforce.

Second, this bill is logistically unworkable. Protest of renewal petitions are due March 31 every year, and license renewal occurs on May 1. There is therefore only one month provided for licensees and protestants to meet with a mediator and try to come to an agreement. If the licensees and protestants cannot come to an agreement, the Board still has to schedule a hearing before May 1, when licenses are renewed. Since the month of April is already extremely full at the BLLC, it seems impossible that communities and licensees would be able to also go through mediation during this same time.

This bill would drain financial and other resources from already-underresourced Baltimore City communities. Community members and associations do not have the resources to pay for mediation, which can cost hundreds of dollars per hour. Why should this significant financial and time burden fall on community members and neighborhood groups, just so that they can exercise their statutory rights to submit concerns about a problematic liquor licensed establishment?

In my experience representing community associations at protest of renewal and other hearings, protest of renewal proceedings tend to be an option of last resort. Community members and licensees have often gone through many rounds of negotiations and failed attempts to come to an agreement before these hearings. Forcing volunteer community leaders through an expensive mandatory process in order to exercise their statutory rights is unreasonable and unfair.

For all of the above reasons, I respectfully request that you vote "no" on SB 1087. The enactment of this bill would essentially make it impossible to use the protest of renewal tool, which has been invaluable in improving the health and safety of Baltimore City communities, **including those in the 43rd legislative district**!

Sincerely,

Berly Lundberg Witt

Staff Attorney