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Supplement to the 2024 Alcoholic Beverages Rules and Regulations

Rule 2.16–Monetary Penalty in Lieu of Hearing

Maryland Alcoholic Beverages & Cannabis Article § 12-2105 permits the Board of Liquor License Commissioners for Baltimore City (BLLC) to offer as a compromise, a monetary penalty for certain violations in lieu of appearing before it at a hearing but requires them to develop regulations to allow for implementation of the process. The Board adopted the final version of the regulation at the September 5, 2024, hearing of the Board. The program was fully implemented for any violations written on or after Friday, September 20, 2024.

This process is intended to ensure that violations are handled by the BLLC swiftly and transparently. The Board shall have discretion as to whether a monetary penalty may be offered to a Licensee and will consider the Licensee's violation history, relationship with the community in which the licensed premises is located, and the egregiousness of the violation when determining eligibility for the program.

For reference, the matrix of fees corresponds with and cites the 2024 BLLC Rules and Regulations, found on our website at <https://llb.baltimorecity.gov/rules-regulations>. Other factors considered in the proposed fees include the legal limitations per Maryland Alcoholic Beverages & Cannabis Article 12-2802(a)(1) of a maximum fine of \$500 for the first offense.

Rule 2.16–Monetary Penalty in Lieu of Hearing.

1) Eligibility:

- a. The violation **is eligible** for a monetary penalty in lieu of a hearing **if**:
 - i. The matrix indicates that the charged violation is eligible.
 - ii. The Licensee is charged with multiple violations stemming from the same incident and **ALL** violations qualify for this program according to the matrix.
- b. The violation is **not eligible** for a monetary penalty in lieu of a hearing if any of the following are true:
 - i. The Licensee has had two (2) or more of the same type of violation in the prior four (4) year period. *(The below examples are not exclusive but for illustrative purposes only: Ex.#1 If the Licensee was charged with trash violations in 2022 and 2023, a trash violation in 2024 would not be eligible. Ex.#2 If the Licensee was charged with trash violations in 2022 and 2023, but no unrelated violations such as insufficient lighting or signs, those violations would be eligible for participation in the program.)*
 - ii. The violation type is not listed in the matrix and stems from noncompliance with an MOU with the community in which the Licensee’s establishment is located.
 - iii. The Licensee is charged with multiple violations stemming from the same incident and one (1) or more violations do not qualify for this program according to the matrix.
 - iv. The Licensee is charged with a violation that requires a hearing before the Board.
 - v. The Board determines that the Licensee or licensed establishment is ineligible for this program.

2) Process:

- a. Notice of Violations and Offer:
 - i. In accordance with the attached matrix, the Board or its designee shall prepare a formal letter to the Licensee that explains the violations alleged against the Licensee, including any evidence that the agency has collected in support of the alleged violations. The letter shall state:
 1. That the Licensee is eligible for the Monetary Payment in Lieu of Hearing (MPLH) program.
 2. The amount of the monetary penalty for each alleged violation.
 3. That to participate in the MPLH program, the Licensee agrees to voluntarily waive his/her right to a show cause hearing, admit to the facts of the violations as alleged, take the corrective action prescribed in the offer by the Board, and accept the amount of the monetary penalty.
 4. That the Licensee may request a show cause hearing before the Board.
 5. That the signed letter and payment must be received at the BLLC office by the date provided in the letter.

6. That failure to submit the signed letter and payment of the fine, if applicable, by the date specified, will result in the immediate issuance of a cease-and-desist order prohibiting the Licensee from selling alcohol.
7. That if a cease-and-desist order is issued it will remain in place until the Board receives the signed letter indicating acceptance or rejection of the offer and the fine that is due, if applicable.

b. Hearing:

- i. If the Licensee requests a show cause hearing, the hearing shall be scheduled as soon as practicable. The MPLH program letter will be included in the packet of information distributed and available to the public along with the docket for the date on which the hearing will be held.

c. Transparency:

- d. The Board shall maintain a publicly accessible database of all MPLH program offers including all licensees who accepted or rejected the MPLH program offer. The database shall include violations they have been charged with as well as the amount of the monetary penalty.
- e. An MPLH offer will be noted in a Licensed Premise's electronic file and hard copy file.
- f. An accepted offer will be noted on the docket for the first hearing scheduled immediately following the acceptance of the offer.
- g. All accepted offers will be read into the record during the hearing in which the case is listed on the docket.

RULE	ELIGIBLE FOR PROGRAM	1ST VIOLATION	2ND VIOLATION
Rule 3.01 – Ownership and Operation	NO		
Rule 3.02 - Cooperation		\$500	\$1,000
Rule 3.03 – Records		\$300	\$600
Rule 3.04 – Keg Registration		\$150	\$300
Rule 3.05 – Alcohol Awareness Certification		\$300	\$500
Rule 3.06 – Signs and Hours of Operations		\$150	\$300
Rule 3.07 – Lighting		\$150	\$300
Rule 3.08 – Sanitation and Safety		\$500	\$1,000
Rule 3.09 – Rest Room Facilities and Health Regulations		\$500	\$1,000
Rule 3.10 – Communications		\$100	\$200
Rule 3.11 – Delivery of Alcoholic Beverages	NO		
Rule 3.12 – General Welfare	NO		
Rule 3.13 – Bottle Service <i>*Except subsections (3) and (4)</i>		\$500	\$1,000
Rule 4.01 – Minors	NO		
Rule 4.02 – Inebriates & Drug Addict		\$150	\$300
Rule 4.03 – Solicitation	NO		
Rule 4.04 – Free Food and Prizes		\$500	\$1,000
Rule 4.05 – Prohibited hours		\$500	Hearing
Rule 4.06 – Alcoholic Beverage Containers		\$500	\$1,000
Rule 4.07 – Open Containers and Illegal Possession and Consumption		\$500	Hearing
Rule 4.08 – Relations with Wholesalers		\$300	\$600
Rule 4.09 – Drive-In Dispensaries	NO		
Rule 4.10 – False Statement	NO		
Rule 4.11 – Discrimination	NO		
Rule 4.12 – Gambling	NO		
Rule 4.13 – Drugs and Illegal Narcotics	NO		
Rule 4.14 – Live Entertainment without Authorization		\$500	\$1,000
Rule 4.15 – Sexual Practices and Obscenity	NO		
Rule 4.16 – Illegal Conduct	NO		
Rule 4.17 – Storage		\$150	\$300
Rule 4.18 – Alterations	NO		
Rule 4.19 – Gifts	NO		
Rule 4.20 – Prohibited Activities by License Type <i>*Except subsection (4)</i>		\$500	\$1,000
Rule 4.23 – Digital Surveillance System - Class A, Class A-2, Class A-7		\$500	\$1,000