



MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Alice Kennedy, Housing Commissioner

Date: March 21, 2023

Re: City Council Bill 23-0347- Department of Business Licensing and Consumer Protection

The Department of Housing & Community Development (DHCD) has reviewed City Council Bill 23-0347 for the purpose of creating the Department of Business Licensing and Consumer Protection as an independent City agency; providing for the leadership and staffing of the Department; establishing the Department's purpose, powers, and duties; creating the Commission on Business Licensing and Consumer Protection; providing for the membership of the Commission; establishing the purpose, powers, and duties of the Commission; transferring the administration of certain business licenses to the Department; repealing certain obsolete Boards; providing for a special effective date; and generally relating to business licensing and consumer protection.

If enacted, Council Bill 23-0347 would establish the Baltimore City Department of Business Licensing and Consumer Protection as an independent agency, provide for the appointment of a Director and create a Baltimore City Business Licensing and Consumer Protection Board.

The Bill transfers the administration of certain business licenses and enforcement, currently under the Department of Finance and other agencies, to the newly created Department of Business Licensing and Consumer Protection. Specific to DHCD, the Bill transfers licensing duties of "Peep Show Establishments" to the Director of Business Licensing and Consumer Protection. The Bill would also transfer the permitting responsibilities for "Amusement Device Location Permits" from DHCD to the new Department.

It is not clear if the existing inspection responsibilities currently under DHCD would remain in place, there is no detailed explanation of the Licensing and Consumer Protection Department's "inspecting" authority in the Bill. It is unclear if inspections would be performed by the new Department or simply referred to DHCD by the Department of Business Licensing and Consumer Protection, rather than the Department of Finance, this includes "Animated Riding Devices" and "Mobile Riding Units." Presumably, DHCD would still be responsible for regular inspections of certain businesses alongside the Police Department, Health Department, Fire Department and the newly created Department of Business Licensing and Consumer Protection.

The Bill transfers licensing responsibility of “Massage Establishments” from the Director of Finance and the Commissioner of Housing and Community Development to the Director of the Department. The bill also eliminates the Board of Licenses for Massage Establishments and transfers that Board’s responsibilities to the Business Licensing and Consumer Protection Board. The Commissioner of the Department of Housing and Community Development is one of the three member agencies that compose the obsolete “Board of Licenses for Massage Establishments” which would be eliminated under the proposed legislation.

Conclusion

The intent of this legislation appears to provide for the protection of consumers and to ensure existing business regulations are enforced under a separate centralized agency empowered to write civil and environmental citations. As drafted, this Bill would have minimal fiscal or administrative impact or overlap with DHCD’s present responsibilities. It may lessen the administrative and operational burden of licensing, inspecting and permitting certain businesses currently housed within DHCD’s purview, such as; Peep Shows, Animated Riding Devices and Massage Establishments, which may allow our staff to focus their eyes, energy and attention to pressing issues central to our mission.

DHCD looks forward to the discussion of the potential establishment of the Baltimore City Department of Business Licensing and Consumer Protection as an independent agency. The creation of this Department may lessen operational burden on the agency for the administration of certain ostensibly outdated business licenses seemingly outside the scope of our primary focus. Centralization may result in consumers being better protected and licensing processes being made more efficient. DHCD is available to assist the Department and Board as necessary to carry out their respective duties.

We respectfully **defer** to the Department of Finance on Council Bill 23-0347.

AK/sm

cc: Ms. Nina Themelis, Mayor’s Office of Government Relations

Ms. Natawna Austin, Executive Secretary of the City Council