

HOUSE BILL 1376

Unofficial Copy
A1

1998 Regular Session
(81r2668)

ENROLLED BILL

-- Economic Matters/Economic and Environmental Affairs --

Introduced by **Delegate Fulton**

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 **Alcoholic Beverages - Statewide Caterer's License**

3 FOR the purpose of establishing a *general and limited* statewide caterer's (SCAT)
4 ~~license~~ *licenses* to be issued by the State Comptroller to certain caterers for use
5 throughout the State; establishing certain qualifications for license holders;
6 requiring that license holders pay ~~a certain annual license fee;~~ *certain license*
7 *fees; providing for a license fee credit for certain licensees under certain*
8 *circumstances;* authorizing license holders to acquire alcoholic beverages in
9 certain ways and to serve alcoholic beverages on certain premises; authorizing
10 boards of license commissioners to make certain investigations; requiring boards
11 of license commissioners to report certain violations to the State Comptroller for
12 certain disposition; requiring license holders to supply certain service personnel
13 at catered events and to return full containers of alcoholic beverages products to
14 their principal places of business; requiring that the sale of food must represent
15 at least a certain percentage of the total cost at a catered event; prohibiting a
16 license holder from catering events at a certain location or for which the license
17 holder is the promoter or sponsor except under certain conditions; authorizing a

1 license holder to sell and serve alcoholic beverages only during the hours and
2 days that certain alcoholic beverages licensees may operate; authorizing the
3 State Comptroller to issue certain regulations; and generally relating to
4 caterer's licenses in the State.

5 BY adding to
6 Article 2B - Alcoholic Beverages
7 Section 6-701
8 Annotated Code of Maryland
9 (1996 Replacement Volume and 1997 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article 2B - Alcoholic Beverages
12 Section 9-102(a)
13 Annotated Code of Maryland
14 (1996 Replacement Volume and 1997 Supplement)

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

17 **Article 2B - Alcoholic Beverages**

18 6-701.

19 (A) THIS SECTION APPLIES THROUGHOUT THE STATE.

20 (B) THE STATE COMPTROLLER MAY ISSUE A STATEWIDE CATERER'S (SCAT)
21 LICENSE TO A PERSON WHO:

22 (1) IS ENGAGED IN THE BUSINESS OF CATERING;

23 (2) MEETS ALL STATE AND LOCAL REQUIREMENTS, AND HOLDS ALL
24 REQUISITE LICENSES RELATING TO THE CATERING BUSINESS CONDUCTED;

25 (3) HOLDS ANY CATERING LICENSE THAT MAY BE REQUIRED UNDER
26 THIS ARTICLE IN THE LOCAL POLITICAL SUBDIVISION IN WHICH THE PERSON'S
27 PRINCIPAL OFFICE IS LOCATED;

28 (4) (I) HOLDS AN EXISTING PERMANENT RETAIL ALCOHOLIC
29 BEVERAGES LICENSE, OTHER THAN A CLASS C LICENSE; OR

30 (II) DOES NOT HOLD AN ALCOHOLIC BEVERAGES LICENSE BUT
31 WHO HAS A PERMANENT OFFICE AND STORAGE FACILITY FOR ALCOHOLIC
32 BEVERAGES IN THE STATE; AND

33 (5) MEETS ALL OTHER REQUIREMENTS UNDER THIS SECTION.

34 (C) THE HOLDER OF A SCAT LICENSE MAY ACQUIRE ALCOHOLIC BEVERAGES:

1 (1) IF THE HOLDER OPERATES UNDER A PERMANENT RETAIL
2 ALCOHOLIC BEVERAGES LICENSE, THROUGH A LICENSED WHOLESALER; OR

3 (2) EXCEPT AS PROVIDED IN § 15-204 OF THIS ARTICLE, THROUGH A
4 LICENSED RETAIL DEALER LOCATED IN THE STATE THAT HAS OFF-SALE
5 PRIVILEGES.

6 ~~(D) THE ANNUAL LICENSE FEE FOR A SCAT LICENSE IS \$2,000 \$750.~~

7 (D) (1) THE SCAT LICENSE MAY BE ISSUED AS A GENERAL OR LIMITED
8 LICENSE.

9 (2) A GENERAL SCAT LICENSE SHALL AUTHORIZE THE HOLDER TO
10 OPERATE IN ANY POLITICAL SUBDIVISION OF THE STATE PROVIDED THAT THE
11 HOLDER COMPLIES WITH ALL OTHER PROVISIONS OF THIS SUBTITLE.

12 (3) A LIMITED SCAT LICENSE SHALL AUTHORIZE THE HOLDER TO
13 OPERATE IN NOT MORE THAN THREE CONTIGUOUS DESIGNATED POLITICAL
14 SUBDIVISIONS OF THE STATE PROVIDED THAT:

15 (I) THE HOLDER COMPLIES WITH ALL OTHER PROVISIONS OF THIS
16 SUBTITLE; AND

17 (II) THE TOTAL POPULATION OF THE DESIGNATED POLITICAL
18 SUBDIVISIONS DOES NOT EXCEED 1,000,000, BASED UPON THE MOST RECENT
19 APPLICABLE POPULATION RECORDS OF THE DEPARTMENT OF HEALTH AND MENTAL
20 HYGIENE.

21 (4) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ALL
22 PRIVILEGES CONFERRED UNDER A SCAT LICENSE SHALL BE APPLICABLE TO A
23 GENERAL OR LIMITED SCAT LICENSE.

24 (E) (1) THE ANNUAL FEES FOR A SCAT LICENSE ARE:

25 (I) FOR A GENERAL SCAT LICENSE, \$2,000;

26 (II) FOR A LIMITED SCAT LICENSE, THE FEE SHALL BE BASED
27 UPON THE MOST RECENT APPLICABLE POPULATION RECORDS OF THE DESIGNATED
28 POLITICAL SUBDIVISIONS, AS COMPILED BY THE DEPARTMENT OF HEALTH AND
29 MENTAL HYGIENE, AS FOLLOWS:

30 1. A POPULATION OF NOT MORE THAN 300,000 \$750;

31 2. A POPULATION OF MORE THAN 300,000, BUT LESS THAN
32 600,000 \$1,000; AND

33 3. A POPULATION OF AT LEAST 600,000 \$1,500.

34 (2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF THIS
35 SUBSECTION, AN APPLICANT FOR A SCAT LICENSE WHO HOLDS A PERMANENT
36 RETAIL LICENSE AND A SPECIAL CATERING LICENSE, OR WHO PAYS AN ADDITIONAL

1 FEE FOR THE PRIVILEGE OF CATERING IN THE APPLICANT'S POLITICAL
2 SUBDIVISION, SHALL BE ENTITLED TO A LICENSE FEE CREDIT NOT TO EXCEED THE
3 ADDITIONAL CATERING FEE PAID IN THE POLITICAL SUBDIVISION, PROVIDED THAT
4 THERE IS A MINIMUM LICENSE FEE PAYMENT OF \$250 FOR A GENERAL OR LIMITED
5 SCAT LICENSE.

6 ~~(E)~~ (F) (1) THE HOLDER OF A SCAT LICENSE:

7 (I) MAY SERVE ALCOHOLIC BEVERAGES AT A CATERED EVENT
8 THROUGHOUT THE STATE TO INDIVIDUALS 21 YEARS OF AGE OR OLDER ON AN
9 UNLICENSED PREMISES OR ON A PREMISES FOR WHICH A TEMPORARY ALCOHOLIC
10 BEVERAGES LICENSE HAS BEEN ISSUED BY THE LOCAL BOARD OF LICENSE
11 COMMISSIONERS; AND

12 (II) MAY STORE UNUSED ALCOHOLIC BEVERAGES AT THE
13 HOLDER'S PRINCIPAL PLACE OF BUSINESS FOR USE AT FUTURE CATERED EVENTS.

14 (2) A LICENSED RETAILER WHO OPERATES SOLELY IN THE POLITICAL
15 SUBDIVISION UNDER AUTHORITY OF THE LOCAL BOARD OF LICENSE
16 COMMISSIONERS NEED NOT ACQUIRE A SCAT LICENSE.

17 ~~(F)~~ (G) (1) TO ENFORCE THE PROHIBITIONS UNDER § 12-108 OF THIS
18 ARTICLE AGAINST SELLING OR FURNISHING ALCOHOLIC BEVERAGES TO PERSONS
19 WHO ARE UNDER 21 YEARS OF AGE OR VISIBLY UNDER THE INFLUENCE OF AN
20 ALCOHOLIC BEVERAGE, THE LOCAL BOARD OF LICENSE COMMISSIONERS MAY
21 CONDUCT INVESTIGATIONS AT CATERED EVENTS.

22 (2) IF A LOCAL BOARD OF LICENSE COMMISSIONERS DETERMINES THAT
23 SALES HAVE BEEN MADE UNLAWFULLY, THE BOARD SHALL REPORT ITS FINDINGS
24 TO THE STATE COMPTROLLER, WHO SHALL TAKE THE ACTION THAT THE STATE
25 COMPTROLLER DETERMINES IS APPROPRIATE.

26 ~~(G)~~ (H) (1) A HOLDER OF A SCAT LICENSE:

27 (I) SHALL SUPPLY SERVICE PERSONNEL, INCLUDING
28 BARTENDERS AND WAITERS, AT THE EVENTS THAT THE HOLDER CATERERS;

29 (II) SHALL ENSURE THAT THE SERVICE PERSONNEL ARE PRESENT
30 AT ALL TIMES DURING THE EVENTS; AND

31 (III) MAY NOT DELIVER ALCOHOLIC BEVERAGES UNDER THE SCAT
32 LICENSE TO A CATERED EVENT WITHOUT SERVICE PERSONNEL ON THE PREMISES.

33 (2) AT THE END OF A CATERED EVENT, ALL FULL CONTAINERS OF
34 ALCOHOLIC BEVERAGES MUST BE RETURNED TO THE PRINCIPAL PLACE OF
35 BUSINESS OF THE HOLDER OF THE SCAT LICENSE.

36 ~~(H)~~ (I) TO ENSURE PRODUCT INTEGRITY, A PARTIAL KEG OF MALT
37 BEVERAGE MAY NOT BE USED AT ANOTHER CATERED EVENT.

1 ~~(I)~~ (J) AT EACH CATERED EVENT AT WHICH ALCOHOLIC BEVERAGES
2 PRODUCTS ARE SERVED:

3 (1) A HOLDER OF A SCAT LICENSE SHALL HAVE AT LEAST ONE
4 INDIVIDUAL ON-SITE WHO HAS BEEN CERTIFIED BY AN ALCOHOLIC AWARENESS
5 PROGRAM THAT IS LICENSED BY THE STATE COMPTROLLER; AND

6 (2) THE SALE OF FOOD SHALL REPRESENT AT LEAST 70% OF THE TOTAL
7 COST OF THE EVENT.

8 ~~(J)~~ (K) EXCEPT WHEN OPERATING UNDER A PERMANENT ON-PREMISES
9 RETAIL ALCOHOLIC BEVERAGES LICENSE ISSUED BY A LOCAL LICENSING
10 AUTHORITY, A HOLDER OF A SCAT LICENSE MAY NOT SERVE ALCOHOLIC BEVERAGES
11 AT ~~THEIR~~ THE HOLDER'S PRINCIPAL OFFICE AND MAY NOT SERVE ALCOHOLIC
12 BEVERAGES AT ANY EVENT FOR WHICH THE HOLDER IS A SPONSOR OR PROMOTER.

13 ~~(K)~~ (L) THE HOLDER OF A SCAT LICENSE MAY SELL AND SERVE ALCOHOLIC
14 BEVERAGES ONLY DURING THE HOURS AND DAYS THAT THE HOLDER OF A CLASS B
15 LICENSE MAY OPERATE IN THE JURISDICTION WHERE THE CATERED EVENT IS
16 CONDUCTED.

17 ~~(L)~~ (M) THE STATE COMPTROLLER MAY ADOPT REGULATIONS TO
18 ESTABLISH REPORTING REQUIREMENTS AND TO CARRY OUT THIS SECTION.

19 9-102.

20 (a) No more than one license provided by this article, except by way of renewal
21 or as otherwise provided in this section, shall be issued in any county or Baltimore
22 City, to any person, or for the use of any partnership, corporation, unincorporated
23 association, or limited liability company, in Baltimore City or any county of the State,
24 and no more than one license shall be issued for the same premises except as provided
25 in §§ 2-201 through 2-208, [and] 2-301, AND 6-701, and nothing herein shall be
26 construed to apply to subsections (b) and (c) of § 7-101 or to § 12-202 (pertaining to
27 special music or dancing licenses for Anne Arundel County) of this article.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 1998.