

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 1085
Economic Matters

(Delegates Bozman and Conway)

Education, Health, and Environmental
Affairs

**Worcester County - Caterer's License - Holders of Class D Beer, Wine and
Liquor Licenses**

This bill establishes a second alcoholic beverages caterer's license in Worcester County for Class D beer, wine, and liquor. The bill also increases from \$100 to \$500 the fee for a caterer's license.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: None.

Local Effect: Worcester County license revenues could increase by \$2,500 annually from new Class D caterer's licenses.

Small Business Effect: Minimal.

Analysis

Current Law: Worcester County may issue a caterer's license to a holder of a Class B restaurant or hotel (on-sale) beer, wine, and liquor license. The annual caterer's license fee is \$100. The caterer's license authorizes the holder to provide alcohol at events held off the Class B restaurant or hotel premises. Food as well as alcohol must be served at the catered event. The same hours of operation must be observed as required for the Class B license.

Background: Chapter 692 of 1985 granted prevailing authority to the Worcester County Board of License Commissioners to set license fees without General Assembly approval. No other jurisdiction has the authority to set alcoholic beverages license fees without General Assembly approval.

The procedure for changing alcoholic beverage license fees with the passage and approval of the county budget has been in place since fiscal 1986, but the updated license fees have not been codified in Article 2B of the Annotated Code of Maryland since fiscal 1991. Worcester County has the fee for the current caterer's license set at \$500.

Local Revenues: Worcester County indicates that five caterers are interested in obtaining the Class D caterer's license. If these were the only licensees for the new Class D caterer's license, county revenue would increase by \$2,500 annually.

As of April 31, 2005, Worcester County had not issued any Class B caterer's licenses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Worcester County, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2006
ncs/hlb

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