

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 681 (Cecil County Senators)

Education, Health, and Environmental Affairs

Economic Matters

Cecil County - Alcoholic Beverages - Caterer's License

This bill allows the board of license commissioners in Cecil County to issue a caterer's license to specified restaurant or hotel license holders.

The bill takes effect July 1, 2007.

Fiscal Summary

State Effect: None.

Local Effect: Cecil County license fee revenues could increase by \$1,200 annually.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: A caterer's license may be issued to a Class B restaurant or hotel beer, wine, and liquor license holder or Class B restaurant or hotel beer and light wine license holder. The annual license fee is \$100. A caterer's license holder is authorized to provide alcoholic beverages at events held off the premises for which the restaurant or hotel license is issued.

The license holder must provide food along with alcoholic beverages at the catered event and may exercise the privileges of the caterer's license only during the days and hours that are authorized under State law for a Class B restaurant or hotel beer, wine, and liquor license or Class B restaurant or hotel beer and light wine license. A Class B restaurant or hotel beer, wine, and liquor license holder or Class B restaurant or hotel beer and light

wine license holder does not need a caterer's license to cater on the premises for which the restaurant or hotel license is issued.

Current Law: A Class B hotel and restaurant license generally authorizes its holder to keep and sell alcoholic beverages at the establishment for which the license is issued, for consumption on the premises or elsewhere. The annual license fee for a Class B restaurant or hotel beer, wine, and liquor license in Cecil County is \$750; the fee for a Class B restaurant or hotel beer and light wine license is \$90.

Background: A number of counties are authorized to issue caterer's licenses to establishments that already have an alcoholic beverages license for their premises, to cater off-premises events. A few counties, including Garrett and Montgomery, are authorized to issue licenses to caterers who do not otherwise have an alcoholic beverages license. Statewide licenses may also be issued by the State Comptroller on a limited (valid in certain jurisdictions) or general basis to existing alcoholic beverages license holders or catering businesses that have a permanent office and storage facility for alcoholic beverages in the State. The license fee for a general statewide license is \$2,000; the fee for a limited license ranges between \$750 and \$1,500.

Local Fiscal Effect: Cecil County revenues could increase by \$1,200 from collection of license fees. Cecil County estimates that 12 establishments would qualify for the caterer's license. The additional \$100 fee would be added when the establishments' existing licenses are renewed.

Small Business Effect: The bill could increase business opportunities and sales for small business restaurants by allowing them to offer alcoholic beverages at catered events.

Additional Information

Prior Introductions: None.

Cross File: HB 649 (Cecil County Delegation) – Economic Matters.

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

Fiscal Note History: First Reader - February 15, 2007
ncs/hlb

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