

By: Goolsby

H.B. No. 1105

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to requirements for a private club registration permit  
3 under the Alcoholic Beverage Code.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 32.03(b), (c), and (d), Alcoholic  
6 Beverage Code, are amended to read as follows:

7 (b) The club must be an association of persons, whether  
8 unincorporated or incorporated under the laws of this state, for  
9 the promotion of some common object. A club that was originally  
10 formed as an association of persons may incorporate under the laws  
11 of this state as approved by the administrator. The commission  
12 shall issue a replacement permit to the new corporate entity on the  
13 payment of a \$100 service fee.

14 (c) Members of the club must be passed on and elected by a  
15 committee or board made up of members of the club [~~, and no employee~~  
16 ~~of the club shall be eligible to serve on the membership committee~~  
17 ~~or board~~]. Membership in the club may be granted only by an  
18 application containing the name and current residential, business,  
19 or post office address, including zip code, of the applicant and a  
20 statement affirming that the applicant is 21 years of age or older.  
21 The name and address submitted shall be incorporated into the  
22 membership records of the club, and the application, signed by the  
23 applicant, shall be maintained as a permanent club record as  
24 required by the commission.

1 (d) No application for membership may be approved until the  
2 application has been filed with the chairman of the membership  
3 committee or board and approved by the chairman. The committee or  
4 board may authorize the chairman or a designated agent to issue  
5 preliminary memberships without the approval of the committee or  
6 board for a period not exceeding seven [~~three~~] days on the request  
7 of an applicant for membership. A preliminary member has all of the  
8 privileges of membership in the club. If the committee or board  
9 does not approve the application before the expiration of the  
10 preliminary membership, the club shall pay to the state a [~~the~~] fee  
11 of \$3 [~~required of temporary members under Section 32.09 of this~~  
12 ~~code~~]. The club shall remit the fees and record and report  
13 preliminary memberships as the commission or the administrator  
14 prescribes.

15 SECTION 2. Chapter 32, Alcoholic Beverage Code, is amended  
16 by adding Section 32.031 to read as follows:

17 Sec. 32.031. PRIVATE CLUB LOCATED IN A RESTAURANT. (a) In  
18 this section, "restaurant club" means a private club that:

19 (1) has as its premises an undivided portion of the  
20 premises of a public restaurant; and

21 (2) is a holder of a food and beverage certificate.

22 (b) A restaurant club may contract with another entity to  
23 manage the club if the entity:

24 (1) is authorized to do business in this state; and

25 (2) complies with the same requirements applicable to  
26 private club registration permit applicants.

27 (c) An entity contracted to manage a restaurant club under

1 Subsection (b) may:

2 (1) establish and staff a membership committee as  
3 provided by Section 32.03(c);

4 (2) purchase and manage the alcoholic beverage  
5 inventory of the club members;

6 (3) establish the price of services provided to the  
7 club members; and

8 (4) produce club records as required by statute or by  
9 commission rule.

10 (d) The bylaws of a restaurant club may establish a  
11 procedure for the appointment of club officers by a management  
12 entity.

13 (e) If a restaurant club membership committee is  
14 established under Subsection (c)(1), the committee must be unique  
15 to the club and shall meet on or about the premises of the club.  
16 Proof of the meeting may be established by resolution or other  
17 documentation as prescribed by the administrator. The  
18 documentation must be dated and personally signed at the meeting by  
19 the committee members who attend the meeting. Upon proof of the  
20 validity of the documentation, the documentation is conclusive  
21 proof of action by the committee or board in compliance with the  
22 seven-day period referenced in Section 32.03(d).

23 (f) A group of 10 or more individuals who are residents of  
24 this state and at least 21 years of age may form a committee to be  
25 designated as the charter members and as the members of the liquor  
26 pool of a restaurant club. The committee may sponsor an application  
27 for a private club registration permit as a nonprofit corporation.

1 The committee must include all original officers of the club. A  
2 restaurant club formed under this section may not serve alcoholic  
3 beverages to members until the club has met the membership  
4 requirements in Section 32.03(e).

5 SECTION 3. Section 32.06(b), Alcoholic Beverage Code, is  
6 amended to read as follows:

7 (b) If an alcoholic beverages replacement account is used:

8 (1) each service check may [~~shall~~] have printed on it  
9 the percentage of the service charge that is to be deposited in the  
10 alcoholic beverages replacement account;

11 (2) no money other than the designated percentage of  
12 service charges may be deposited in the replacement account;

13 (3) the replacement of alcoholic beverages may be paid  
14 for only from money in the replacement account;

15 (4) the club's governing body may transfer from the  
16 replacement account to the club's general operating account any  
17 portion of the replacement account that the governing body  
18 determines is in excess of the amount that will be needed to  
19 purchase replacement alcoholic beverages or repay a loan for the  
20 original purchase of alcoholic beverages, but it may make only one  
21 transfer in a calendar month; and

22 (5) the club shall maintain a monthly record of the  
23 total amount of alcoholic beverage service charges collected, the  
24 amount deposited in the replacement account, the amount used to  
25 purchase alcoholic beverages or repay a loan for the original  
26 purchase of alcoholic beverages, and the amount transferred to the  
27 club's general operating account.

1           SECTION 4. Section 32.13, Alcoholic Beverage Code, is  
2 amended to read as follows:

3           Sec. 32.13. INSPECTION OF BOOKS AND RECORDS. (a) All  
4 books and records pertaining to the operation of any permittee  
5 club, including a current listing, correct to the last day of the  
6 preceding month, of all members of the club who have liquor stored  
7 on the club premises under either the locker or pool system, shall  
8 be made available to the commission or its authorized  
9 representatives on request.

10           (b) The records required to be maintained by a permittee  
11 under this chapter may be maintained in an electronic storage  
12 format. If a record is maintained in an electronic format, the  
13 permittee must be able to reformat the record, within a reasonable  
14 time, into a legible hard copy at the request of the commission.

15           SECTION 5. This Act takes effect September 1, 2003.