



TABC

Private Club Registration Permit (N)

Know your responsibilities for a

Private Club Registration Permit (N)



The Permit

Your permit must be displayed in a publicly visible place at all times. It is your responsibility to renew it prior to expiration. The expiration date is printed on the face of your permit. **Your permit is valid for two (2) years from date of issuance.** You will receive a **reminder POSTCARD** prior to expiration.

[RENEW ONLINE](#) or you may download a [renewal application](#) from our website.

Licensee/permittees are granted a **30 day** grace period in which they can renew, **you may not resume selling alcoholic beverages until the renewal is filed and the appropriate fees and late fees are paid.**

- A \$100 late fee will be assessed for each permit including subordinates if renewed after the expiration date.

If you engage in activity during the grace period without the appropriate fees being paid, your license is subject to administrative action.



TABC

Private Club Registration Permit (N)

The Permit

You cannot sell or transfer your permit or let anyone else operate with it. If you anticipate any type of change not limited to; trade name, address, officer, stockholder or entity, please contact your [local TABC office](#) for direction and procedures prior to beginning any change.

Failure to comply with the statutes governing such changes may result in a delay of business operation or administrative action against your permit.



TABC

Private Club Registration Permit (N)

Purchasing of Alcohol

Distilled Spirits and Wine may only be purchased from a:

- Package Store (P) that holds a local distributor's permit (LP) located in the same county in which your premises are located.

If a local distributor is not located in your county, you must purchase distilled spirits from a local distributor in the county nearest you.



Purchasing Alcohol

Ale and malt liquor may be purchased from holders of a:

- Wholesaler's Permit (W)
- General Class B Wholesaler's Permit (X)
- Local Class B Wholesaler's Permit (LX)
- Package Store Permit (P) that also holds a Local Distributor's Permit (LP)**
- Brewer's Permit (B) who also holds a Brewer's Self-Distribution Permit (DA)
- Wine and Beer Retailers Permit (BG) with a Brewpub License (BP) authorized to sell to retailers.**

****You may not purchase or acquire beer from another type of retailer.**

These sales are subject to Credit Law.



Purchasing of Beer

Beer may only be purchased from holders of a:

- General Distributor's License (BB)
- Branch Distributor's License (BC)
- Local Distributor's License (BD)
- Manufacturer's License (BA) who also holds a Self-Distribution License (DB)
- Package Store Permit (P) who also holds a Local Distributor's Permit (LP) with a Retail Dealer's Off-Premise License (BF)**
- Wine and Beer Retailers Permit (BG) with a Brewpub License (BP) authorized to sell to retailers**

**You cannot purchase or acquire beer from another type of retailer.

These sales are subject to Cash Law

IMPORTANT: Alcoholic beverages damaged or determined to be unfit for human consumption while in the possession of the retailer, must be destroyed by the retailer and cannot be exchanged or returned to the seller for credit or refund.



TABC

Private Club Registration Permit (N)

Serving of Alcohol

The holder of a Private Club Registration Permit (N) is authorized to serve alcoholic beverages to its members and their guest(s) for consumption on the licensed premises. Only members may pay for the service of an alcoholic beverage.



Hours of Service and Consumption

Alcoholic beverages may be served during the following hours:

- 7:00 A.M. to 12:00 Midnight, Monday through Saturday
- 12:00 Midnight to 1:00 A.M., Sunday
- 12:00 Noon to 12:00 Midnight, Sunday (Alcoholic beverages may be sold beginning at 10:00 A.M. with the service of food or if licensed premises are located at a festival, fair, concert, or sports venue).

If you are in an area for standard hours, no one, including you and your employees, may consume any alcoholic beverages on your premises during the following hours:

- 12:15 A.M. to 7:00 A.M., Monday through Saturday
- 1:15 A.M. to 12:00 Noon on Sunday; (Alcoholic beverages may be sold beginning at 10:00 A.M. with the service of food or if licensed premises are located at a festival, fair, concert, or sports venue).



Hours of Service and Consumption

If you are in an area that is legal for extended hours, and you also hold a Private Club Late Hours Permit (NL), you may continue to serve those alcoholic beverages until 2:00 A.M.

If you are in an area for extended hours, no one may consume alcoholic beverages on your premises during the following hours:

- 2:15 A.M. to 7:00 A.M., Monday through Saturday
- 2:15 A.M. to 12:00 Noon, Sunday; (Alcoholic beverage may be served beginning at 10:00 A.M with the service of food or if licensed premises are located at a festival, fair, concert, or sport venue)



TABC

Private Club Registration Permit (N)

Invoices

All alcoholic beverages on your premises must be covered by invoice and these invoices must remain on your premises for a period of four (4) years.

- Invoices are subject to inspection by authorized representatives of the Texas Alcoholic Beverage Commission, or any peace officer. Invoices must be signed by the retailer upon delivery of the product.
- Distilled spirits on your premises must have an identification stamp affixed on each container. Any distilled spirits not bearing an identification stamp are in violation of the law and subject to seizure.
- Immediately after emptying a distilled spirit container the identification stamp must be mutilated (serial number scratched). A distilled spirit container may not be refilled with any substance.



TABC

Private Club Registration Permit (N)

Invoices

You may not permit anyone to bring alcoholic beverages onto your premises. Only those alcoholic beverages invoiced to you can be brought into the premises. Alcoholic beverages are not permitted to leave your premises.

The remaining portion of an open bottle of wine ordered with food is allowed to be removed by the member or guest of the private club.

If the private club is located in a hotel, the member or guest may be served on the club premises or in the guest or member's hotel room.



Cash Law

Beer purchased from a beer distributor or local distributor are subject to cash law and must be paid for in cash (no credit) on or before delivery.

- If you give a check in lieu of cash and it is dishonored, the seller of the beer is required by law to report any dishonored check to the TABC.
- The retailer's permit will be placed on the statewide delinquent list until the local distributor notifies the TABC that the retailer has paid in full.

NOTE: Repeat violations of dishonored checks may result in the cancellation or suspension of the permit.



Credit Law

If credit is extended when you purchase alcoholic beverages (ale, malt liquor, distilled spirits or wine) from a seller:

- These alcoholic beverages, if purchased between the 1st and 15th of the month, must be paid for by the 25th of the month.
- If they are purchased between the 16th and the last day of the month, they must be paid for by the 10th of the following month.

The retailer is considered delinquent if payment is not received by the seller on or before the 4th business day following the due date (10th or 25th).



TABC

Private Club Registration Permit (N)

Credit Law

If not paid timely, the seller is required by statute to report this non-payment to the commission and your permit will be placed on the agency's internet-based [credit law delinquent list](#) until the reporting seller notifies the commission that you have paid in full. An action to cancel or suspend a permit may be initiated for repeat violations of being on the credit law delinquent list.

IMPORTANT: While the retailer is on the credit law delinquent list, no local distributor or wholesaler is permitted to sell to the retailer. If the retailer purchases while on the delinquent list, the TABC will take administrative action against the retailer's permit.



TABC

Private Club Registration Permit (N)

Employees

The minimum age for your employees to prepare, serve or otherwise handle an alcoholic beverage is (18) eighteen.

You may employ a person under 18 to work as a cashier for transactions involving the sale of alcoholic beverages if;

- The alcoholic beverage is served by a person 18 years or older, and
- The sale or service of alcoholic beverages is less than **60 percent** of the gross receipts



TABC

Private Club Registration Permit (N)

Serving Minors

You or your employees cannot sell, serve, or give alcoholic beverages to anyone under 21 years of age. The only defense in the Texas Alcoholic Beverage Code against a charge for selling an alcoholic beverage to a minor states, a person who sells a minor an alcoholic beverage does not commit an offense if the minor falsely represents himself to be 21 years old or older by displaying an apparently valid proof of identification that contains a physical description and photograph consistent with the minor's appearance, purports to establish that the minor is 21 years of age or older, and was issued by a governmental agency.

The proof of identification may include a driver's license or identification card issued by the Department of Public Safety, a passport, or military identification card.



TABC

Private Club Registration Permit (N)

Serving Minors

You or your employees cannot permit anyone under 21 years of age to possess or consume alcoholic beverages on your premises except if you choose to allow a person under 21 years of age to possess or consume in the visible presence of their adult parent(s), legal age spouse, or court appointed guardian. If you choose to allow this activity you will have the legal responsibility to ensure that they remain in the visible presence of their adult parent(s), legal age spouse or court appointed guardian and that the legal age adult is in fact their parent(s), legal age spouse or court appointed guardian.

The Texas Alcoholic Beverage Commission and/or your local law enforcement agency often conduct underage compliance operations. Minors are sent into a retail establishment under the supervision of a peace officer in an attempt to purchase and obtain an alcoholic beverage to ensure voluntary compliance of state law.



TABC

Private Club Registration Permit (N)

Serving an Intoxicated Person

You may not sell, serve, or deliver an alcoholic beverage to an intoxicated person.

Your permit/license can be suspended or cancelled for the sale, service or delivery of an alcoholic beverage to an intoxicated person.

A seller-server training program is available and can help identify intoxicated persons.



Reporting Disturbances

You and your employees are responsible for the supervision of all persons permitted on the licensed premises.

At the first sign of argument or trouble between your customers, you should require those customers involved to immediately leave the premises.

If necessary, call the local law enforcement authority to have them removed. If a breach of the peace (a disturbance, fight or other violent act) occurs on your premises between any customer and/or employees, you **must notify** the [local TABC office](#) as soon as possible, but not later than **five (5) calendar days after the incident**.

If a shooting, stabbing or murder, or an incident involving serious bodily injury occurs on the licensed premise, you must notify the local TABC office not later than **24 hours** from the time of the incident.



TABC

Private Club Registration Permit (N)

Inspections

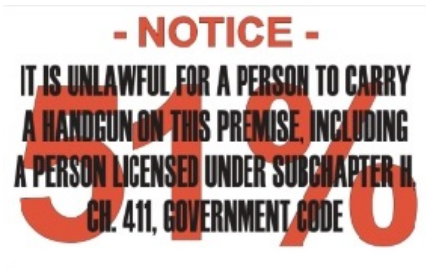
Any authorized representative of the Texas Alcoholic Beverage Commission or any other peace officer has the right and authority to enter your premise and make an inspection of your entire premises for violation(s) of the Texas Alcoholic Beverage Code/Rules.

- All books and records pertaining to the operation of any permittee club, including a current listing correct to the last day of the preceding month of all members of the club who have liquor stored on the club premises under either the locker or pool system, shall be made available to the Commission or its authorized representative on request [Code §32.13]
- Keep all books, records and minutes required herein on the premises of such club, and make them available to any representative of the Commission upon reasonable request [Rule 41.52(c)(1)(E)]



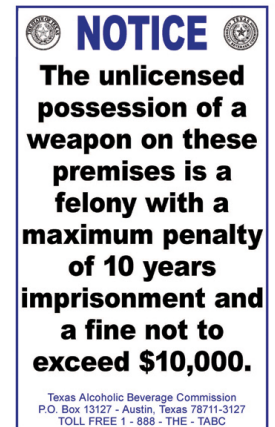
Signs

The commission will determine which sign you must post at your establishment from information provided on your original application, as well as your renewal applications. These [signs](#) are available from the Texas Alcoholic Beverage Commission at no charge, or you can choose to have the sign made as long as the sign meets the below size/word requirements.



WEAPONS WARNING SIGN – RED 51% – Required if you do not also hold a Food and Beverage Certificate issued by this agency and if over 51% of the gross receipts at the licensed premises are derived from alcoholic beverages.

WEAPONS WARNING SIGN – BLUE – You are required to post a sign at each entrance of your licensed premises informing persons that the unlicensed possession of a weapon on the premises is a felony. The sign will be provided to you at no charge from the Texas Alcoholic Beverage Commission.





Signs

HEALTH RISK WARNING SIGN – Must be displayed in a prominent place on your premise. The sign must be in both English and Spanish. Signs are provided to you at no charge from the Texas Alcoholic Beverage Commission.

HEALTH RISK WARNING SIGN

- Drinking any type of alcohol while pregnant can hurt your baby's brain, heart, kidneys and other organs and can cause birth defects.
- The safest choice is not to drink at all when you are pregnant or trying to become pregnant.
- **If you might be pregnant, think before you drink.**

AVISO SOBRE RIESGOS DE SALUD

- Beber cualquier tipo de alcohol cuando está embarazada puede hacerles daño al cerebro, al corazón a los riñones y a otros órganos de su bebé y puede causar defectos de nacimiento.
- Lo más seguro es no beber nada de alcohol cuando está intentando quedar embarazada o ya lo está.
- **Si es posible que esté embarazada, piénselo antes de beber.**

For more information on birth defects go to: www.dshs.state.tx.us

- WARNING -

OBTAINING FORCED LABOR OR SERVICES IS A CRIME UNDER TEXAS LAW.
CALL THE
NATIONAL HUMAN TRAFFICKING HOTLINE
1-888-373-7888
YOU MAY REMAIN ANONYMOUS.

- ADVERTENCIA -

LA OBTENCIÓN DE SERVICIOS O TRABAJO FORZADO ES UN DELITO SEGUN LA LEY DE TEXAS. LLAME A LA LINEA DIRECTA NACIONAL DE TRAFICO HUMANO AL
1-888-373-7888
USTED PUEDE PERMANECER ANÓNIMO.

HUMAN TRAFFICKING HOTLINE NUMBER SIGN – Must be displayed in a prominent place on your premise, unless you hold a food and beverage permit. The sign must be in both English and Spanish. Signs are provided to you at no charge from the Texas Alcoholic Beverage Commission.

PUBLIC INFORMATION/COMPLAINT SIGN – Must be posted in a prominent place on your premises. The sign shall be no smaller than 6" X 3 ½".

If you have a complaint about the sale or service of alcoholic beverages in this establishment, please contact the
Texas Alcoholic Beverage Commission
P.O. Box 13127
Austin, Texas 78711-3127
or phone 1-888-THE-TABC
complaints@tabc.state.tx.us






TABC

Private Club Registration Permit (N)

Educational Programs

The Texas Alcoholic Beverage Commission has developed [educational programs](#) to assist in your efforts to voluntarily comply with the law. Agents are available to come to your place of business to help instruct you and your employees concerning the laws that apply to your business. Your [local TABC Office](#) will have information concerning this project.



Seller Server Training

The commission approves [seller-server training programs](#) sponsored by private businesses and issues certificates to individuals who successfully complete the program. The program covers the laws concerning the sale or service of alcoholic beverages to minors and intoxicated persons, as well as techniques used to prevent such sales.

Depending on the prior violation history of your permit, the actions of an employee may not be attributable to the employer and the employer may claim an exemption from administrative action if:

1. The employer requires only those engaged in the sale, service, or delivery, including managers, to successfully complete a commission-approved seller-server training program within 30 days of their initial employment,
2. The employee that has committed the violation has completed the program and has a current certificate prior to the violation, and
3. The employer has not directly or indirectly encouraged the employee to violate such law.



Seller Server Training

The commission shall require the permittee to produce evidence indicating that the above three criteria were met. Such evidence shall indicate that the permittee had adopted policies.

These policies and procedures should be designed to prevent the sale, service and consumption of alcoholic beverages by minors and sale or service to intoxicated persons. The policy should also express a strong commitment by the permittee to prohibit such sales, service and consumption.

In addition, the permittee should have had the employee acknowledge in writing that they have read and understood the policies and procedures.

A current list of commission [approved seller-server training schools](#) is available on our website.



Refusal of Issuance

The commission or administrator shall refuse to issue for a period of three (3) years a permit or license for any location to an applicant who submitted a prior application that expired or was voluntarily surrendered before the hearing on the application was held on a protest involving allegations of prostitution, a shooting, stabbing, or other violent act, or an offense involving drugs or trafficking of persons.

The commission or administrator shall refuse to issue for a period of one (1) year after cancellation a mixed beverage permit for a premises where a license or permit has been cancelled during the preceding 12 months as a result of a shooting, stabbing, or other violent act, or as a result of an offense involving drugs, prostitution and human trafficking.



Forfeiture of Conduct Surety Bond

Forfeiture of Conduct Surety Bond (Rule 33.24)

- When a license or permit is cancelled or there are three or more violations of the Alcoholic Beverage Code while the conduct surety bond is in place, the commission shall notify the licensee or permittee, in writing, of its intent to seek forfeiture of the bond.
- Licensee or permittee may, within thirty days of the notice request a hearing on the question of whether the criteria for the forfeiture of the bond have been satisfied.
- Upon entry of final order against the licensee or permittee in the hearing, the commission shall notify the surety company, bank or credit union to remit to the state the amount of surety required within ten days after notification.



TABC

Private Club Registration Permit (N)

Cancellation of Bond by Bond Company

33.24(k)(1)... "Surety may terminate liability by giving the proper 30 day written notice..." - a Notice of Cancellation is sent to the commission notifying the bond is being cancelled. Letters are sent by this office notifying applicant to provide another bond and a 30 grace period to provide is given.

Permit will be cancelled if you fail to maintain surety.



TABC

Private Club Registration Permit (N)

Food and Beverage Certificate (FB)

You may qualify for a Food and Beverage Certificate if;

- The gross receipts from the sale of alcoholic beverages are 60% or less of the total gross receipts from the premises and
- You have food service facilities for the preparation and service of multiple entrees.

Upon renewal, the State Comptroller of Public Accounts will provide verification of sales reported for eligibility to maintain this certificate.

If applying for a Food & Beverage Certificate (FB), a bond is not required.



Requirements for Records

Private Club Entity

Private Club must be set up as an:

- Unincorporated Association of Persons OR
- A Non-Profit Corporation

Private Club must be treated as a separate entity from any other individual or business:

- DO NOT include the club's revenue on a Schedule C of a personal 1040 income tax return
- DO NOT include revenue on another business return such as a restaurant or motel

The private club entity may make a profit. This usually is the funds left after paying:

- Management Lease/Sublease
- Alcohol Purchases
- Taxes (Gross Receipts Tax, Sales Tax, etc.)
- Other Private Club Expenses



Requirements for Records

Members

No private club shall be qualified to hold a permit unless membership is comprised of:

- At least 50 members of the club must reside in the county in which the premises of the club is located
- Or at least 100 members must reside in an area comprised of the county in which the premises of the club is located and an adjacent county or counties.

TAB Code §32.03(e)



Requirements for Records

Members

Private Club has 2 options for issuing membership applications (TAB Code §32.03(d))

Preliminary

- Private club membership applicant may receive service of an alcoholic beverage
- Membership committee must act upon and approve or disapprove applicant within 7 days
-

Non-preliminary

- Private club membership applicant must be acted upon and approved by the membership committee before they can receive service of an alcoholic beverage



Requirements for Records

Members

All members must be approved by at least 3 members of the membership committee at a meeting of such committee [Rule §41.52(c)(1)(C)]

- No application for membership may be approved until the application has been filed with the chairman of the membership committee or board and approved by the chairman [Code §32.03(d)]
- No membership shall be terminated except by action of the membership committee or written resignation of the member. Resignation of any member shall be recorded immediately in membership records [Rule 41.52(c)(2)]
- Bylaws should designate length of membership. If bylaws do not designate a length of membership, a membership meeting should be held in accordance with the bylaws to establish a length of membership. If memberships are deleted prior to expiration, the club should provide written requests from these members or reasonable documentation supporting reason for deletion.



Requirements for Records

Membership Committee

A private club shall have a membership committee:

- Composed of 3 or more members of the club [Rule 41.52(c)(1)(B)]
- Vested with authority by charter, bylaw, or regulation to approve or reject membership applications and terminate existing members [Rule 41.52(c)(1)(B)]

No employee of the club shall be eligible to serve on the membership committee or board [Code §32.03(c)]



Requirements for Records

Membership Records

Application Requirements

All applicants should complete an application which shall include the following information:

- Applicant's complete name,
- Applicant's complete address inclusive of zip code,
- Date of application,
- Signature of applicant

Preliminary Application or Non-Preliminary Application

- Preliminary Application: Membership committee must meet within 7 days and consider application for membership [Code §32.03(d)]
- Non-Preliminary Application: No time limitation in which to consider the application, as the prospective member is denied service of alcoholic beverages until approved by the committee



Requirements for Records

Membership Records

Application Requirements (Continued)

- If an approved machine membership bookkeeping system is utilized to process/verify preliminary applications, the permittee must obtain written consent from the prospective member when accessing electronically readable license/identification information and proof of such consent must be maintained in chronological order with the permittee's membership records [Rule §41.52(g)]
- All applications for membership, regardless of whether approved or rejected, should be retained in chronological order by date.



Requirements for Records

Membership Committee Minutes

When considering a membership application or termination of membership, the membership committee shall keep written minutes showing:

- Meeting date
- Names of all committee members presents [signatures of at least 3]
- Name of any person admitted to membership
- Name of any person whose membership was terminated

No minutes shall be required of any discussion or action regarding a membership application that is denied.



Requirements for Records

Membership Book

The club shall keep a well-bound book in which is shown the following about each member (including charter members):

- Full name of the member
- Initial membership number of member that shall be issued in sequence
- Current complete address of such member
- Date such member was admitted to membership
- Date such member was removed from membership

A club using a computer to maintain its membership records shall not be required to keep a well-bound book if such computer provides such information as required add is approved in writing by the Commission.



Temporary Members

Definition of Temporary Member [Code §32.09]

The manager or other person in charge of the club premises may allow a person to enter the club if they possess a valid temporary membership card which has no erasures or changes and which has the temporary dates in a prominent position on the card. A temporary member:

- May enjoy the club's services and privileges for a period of not more than 3 days per invitation
- May bring not more than 3 guests to the club and must remain in their presence while they are at the club
- At the time of admission shall pay the club a fee of \$3.00, which shall represent the fee payable by the permittee to the state. All fees and payments from temporary members shall be in cash or through credit cards



Temporary Member Cards and Records

Temporary Membership Cards

- Temporary membership cards shall be issued to a Private Club in quantities of at least 50 cards at one time
- If larger quantities are requested, temporary membership cards shall be issued in multiples of 50
- Temporary membership cards shall be issued upon written request of a club on the Private Club Registration Permittee Order & Invoice for Temporary Membership Cards, Form C-8

Temporary Membership Records

A holder of a Private Club Registration permit shall prepare a record with entries made in chronological order showing the following information about temporary membership cards issued:

- Date issued
- Name of the person to whom the card was issued
- Serial number of the temporary membership card



Guests

Definition of "Guest"

The word "guest" shall mean an individual:

- Who is personally known by the member or one of the member's family
- Is admitted to the club premises by personal introduction of, or in the physical company of, the member or one of the member's family [Rule §41.52(d)(3)]

Guests shall be limited to those who accompany a member or temporary member onto the premises or for whom a member (other than a temporary member) has made prior arrangements with the management of the club [Code §32.10(a)]

Service Charge Billed to Member [Code §32.10(b)]

- A guest shall be permitted to pay, by cash or otherwise, for any service of alcoholic beverages



Purchasing Alcoholic Beverages

Purchasing Alcohol

- Alcoholic beverages stored and used in a private club must be owned by the members.
- The private club purchases the alcoholic beverages on behalf of the members
- Members are charged a service fee for the mixing and service of alcoholic beverages to members

Original stocking of bar for a new permit:

- Alcoholic beverages may be purchased with money assessed equally from the original (charter) members [Code §32.06(a)]
- Each member should acknowledge with a signed document the amount of the individual assessment.
- The original purchase may be funded from a loan to the club by a third person guaranteed by all the members (pro rata share).
- A person who provides a loan to the club may be related or unrelated to the club. A loan for the original purchase may be repaid from the alcoholic beverages replacement account.



TABC

Private Club Registration Permit (N)

Congratulations!



TABC

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Certificate of Completion

This certifies that:

Name: _____

Has successfully completed the Responsibilities Course for a Private Club Registration Permit (N) offered by the Texas Alcoholic Beverage Commission.

Business Trade Name: _____

Business Location Address: _____

Check this box if you would like additional information in regards to your responsibilities.

By signing this certificate you acknowledge that you have completed the Responsibilities Course for a Private Club Registration Permit (N).

Applicant Signature/Title/Position

Date

Press the Print button to print your Certificate of Completion. After the print dialogue box opens, change "Pages to Print" from "All" to "page 44" to print your certificate.