

7-401 Requirements for Premises

7-401.1 [Reserved]

7-401.2 Lighting of Licensed Establishments

7-401.3 Restaurants

7-401.4 Nonprofit Organizations

7-401. Requirements for Premises.

This regulation concerns various requirements a retail location must meet in order to be licensed to sell minibottles for on-premise consumption. The requirements listed in the following subsections are not all inclusive.

7-401.1. [Reserved]

7-401.2. Lighting of Licensed Establishments.

Every establishment licensed for the sale and consumption of alcoholic beverages in sealed containers of two (2) ounces or less, must have the bar or area used for storing and dispensing such containers properly lighted. The lighting must be sufficient to afford customers a clear view of all activities taking place in this area.

7-401.3. Restaurants.

A. Any business establishment that applies for or holds a sale and consumption license pursuant to Section 61-6-1610 of the Code and is not engaged in the furnishing of lodging, must:

1. Be equipped with a kitchen that is utilized for the cooking, preparation, and serving of meals; and

2. Have readily available to its guests and patrons either "menus" with the listings of the various meals offered for service or a listing of available meals and foods, posted in a conspicuous place readily discernible by the guest or patrons; and

3. Prepare for service to customers hot meals at least once each day the business establishment chooses to be open.

4. If such establishment advertises, a substantial portion of its advertising must be devoted to its food services.

B. The following definitions shall be used in conjunction with Section 61-6-1610 of the Code and this Regulation:

1. "Meal" means an assortment of various prepared foods which shall be available to guests on the licensed premises during the normal "mealtimes" which occur when the licensed business establishment is open to the public. Sandwiches, boiled eggs, sausages and other snacks prepared off the licensed premises but sold thereon, shall not constitute a meal.

2. "Kitchen" means a separate and distinct area of the business establishment that is used solely for the preparation, serving and disposal of solid foods that make up meals. Such area must be adequately equipped for the cooking and serving of solid foods, and the storage of same, and must include at least twenty-one cubic feet of refrigerated space for food and a stove.

3. "Primarily" means that the serving of meals by a business establishment constitutes a regular and substantial source of business to the licensed establishment and that meals shall be served upon the demand of guests and patrons during the normal "mealtimes" which occur when the licensed business establishment is open to the public and that an adequate supply of food is present on the licensed premises to meet such demand.

7-401.4. Nonprofit Organizations.

A. Every initial and/or renewal application for a Sale and Consumption of Alcoholic Liquors License to a bona fide nonprofit organization shall be an association, organization or a nonprofit corporation organized and existing under the laws of the State of South Carolina and operated solely and exclusively for social, benevolent, patriotic, recreational or fraternal purposes but not for pecuniary gain or profit, no part of the net earnings of which inures to the direct benefit of any member or shareholder, it being the intent of Section 61-6-1600 of the Code that a license shall not be granted to or held by an organization which is, or has been, organized and operated primarily to obtain or hold a license to sell alcoholic beverages, but only to a bona fide nonprofit organization with limited membership to which the sale of alcoholic beverages is incidental to the main purpose of the organization.

B. The bona fide nonprofit organization must have a definite fixed method of electing persons on an individual basis to membership in the organization; such method must be described in the club's bylaws and must bear some reasonable relation to the object and purpose of the organization.

C. It shall be maintained by its bona fide members through the payment of monthly, quarterly or annual fees or dues.

D. The affairs and management of such nonprofit organization shall be conducted by a board of directors, executive committee or similar governing body chosen by the members at a regular meeting held at some periodic interval but at least on an annual basis. Provided, however, that nonprofit organizations operated for the benefit of universities and similar public institutions [IRS Code Section 501 (c) (3)] may be governed by a board or committee notwithstanding this provision as provided in the by-laws of the organization.

E. Upon dissolution, liquidation or final termination of the operations of the organization, its residual assets must not inure to the direct benefit of any member or shareholder but must be turned over to one or more nonprofit organizations which are organized and operated for charitable purposes or for such other purposes as are authorized under Section 61-6-1600.

F. No member, officer, agent or employee of such nonprofit organization shall be paid, or directly or indirectly receive, in the form of salary or other compensation any of the profit from the sale or distribution of alcoholic beverages beyond the amount of such salary as may be fixed and voted at a regular meeting by the members of the organization or at a regular meeting by the governing body out of the general revenue of the organization, nor shall such salaries or compensation be in excess of reasonable compensation for the services actually performed.

G. Each nonprofit organization shall file with its application for a license the following information:

- (1) A certified copy of its charter, articles of incorporation or constitution;
- (2) A copy of its bylaws;
- (3) A list of its officers and directors showing names, ages, correct mailing addresses and business employment.

H. After receiving a license, each organization shall file the following information with the Department:

- (1) Changes in the board of directors, executive committee or similar governing body shall be reported within thirty days of the effective date of such change;
- (2) Changes in the organization's constitution, articles of incorporation, bylaws and membership effected during the preceding twelve (12) months must be filed with each application for license renewal;
- (3) A financial statement and a profit and loss statement for the latest calendar year or fiscal year, as the case may be, must be filed with each application for license renewal;
- (4) A sworn statement by an authorized officer of the organization that it is still being operated on a nonprofit and limited membership basis.

I. Licensees under this section shall maintain the following records on their premises and make them available for inspection by any authorized representative of the South Carolina Department of Revenue or the State Law Enforcement Division:

- (1) A complete membership record showing the date of application of the proposed member, the date of admission after election, the date initiation fees and dues are paid, the amounts paid and the member's correct mailing address.

(2) All books and records relating to the financial transactions and activities of the licensee, including an income record, expenditure record and bank account all to be maintained in such form as is established by regulation of the Commission.

J. Only bona fide members and bona fide guests of members of such organizations may consume alcoholic beverages sold in sealed containers of two ounces or less upon the licensed premises.

K. Bona fide guests shall be limited to those who accompany a member onto the premises or for whom the member has made prior arrangements with the management of the organization.

HISTORY: Added by State Register Volume 27, Issue No. 6, Part 2, eff June 27, 2003. Amended by State Register Volume 34, Issue No. 7, eff July 23, 2010.