



Washington State
Liquor and Cannabis Board

Date: July 26, 2017

To: Jane Rushford, Board Chair
Ollie Garrett, Board Member
Russ Hauge, Board Member

From: Karen McCall, Agency Rules Coordinator

Copy: Rick Garza, Agency Director
Peter Antolin, Deputy Director
Justin Nordhorn, Chief of Enforcement
Becky Smith, Licensing Director

Subject: **Approval of final rule (CR 103) to increase club membership drives
WAC 314-40-040**

At the Board meeting on July 26, 2017, the rules coordinator requests that the Liquor and Cannabis Board approve the final rulemaking (CR 103) for WAC 314-40-040.

The Board was briefed on the rule making background and public comment for this rule making. An issue paper and text of the rule is attached.

If approved, the Rules Coordinator will send an explanation of the rule making to all persons who submitted comments.

After sending this explanation, the Rules Coordinator will file the rules with the Office of the Code Reviser. The effective date of the rules will be 31 days after filing.

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| _____ Approve | _____ Disapprove | _____ | _____ |
| | | Jane Rushford, Chair | Date |

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| _____ Approve | _____ Disapprove | _____ | _____ |
| | | Ollie Garrett, Board Member | Date |

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| _____ Approve | _____ Disapprove | _____ | _____ |
| | | Russ Hauge, Board Member | Date |

Washington State Liquor and Cannabis Board

Issue Paper

Club Membership Drives (WAC 314-40-040)

Date: July 26, 2017

Presented by: Karen McCall, Agency Rules Coordinator

Description of the Issue

The purpose of this Issue Paper is to recommend that the Washington State Liquor and Cannabis Board proceed with final rulemaking and the revision to WAC 314-40-040 Club Memberships Drives.

Why is rule making necessary?

This rulemaking is the result of a petition for rulemaking submitted by the Aberdeen Elks Lodge #593. They are requesting the board increase the number of club membership drives allowed per calendar year.

Public Comment

Fifteen comments were received on this rulemaking in support of an increase in the number of club membership drives allowed per year. Most of the comments supported an increase to 12 club membership drives per year.

What changes are being made?

Amended Section. WAC 314-40-040 Guest and courtesy cards – Visitors.

The number of membership drives was changed to 1 per quarter instead of 2 per year.

WAC 314-40-040 Guest and courtesy cards—Visitors. (1) Guest cards are intended for invited guests residing outside of the immediate area.

(a) Guest cards shall be issued no more than three times per year for a period not to exceed fourteen consecutive days, and must be numbered serially, with a record of the issuance of each such card to be filed in a manner as to be readily accessible to the agents of the board;

(b) Contestants in golf or tennis tournaments conducted on the grounds of a licensed club will be considered a visitor for the day(s) of the event.

(2) Visitors may be introduced when accompanied at all times by a member, who is not an on duty employee, and may remain as long as such member is present in the club. Any such visitor may only enjoy the privileges of the club six times in any one calendar year unless a different number of times is allowed in the club by-laws.

(3) Persons who are members in good standing of a national veterans organization may enjoy the privileges of any licensed club affiliated with any national veterans organization, and persons who are members in good standing of a national fraternal organization may enjoy the privileges of any club affiliated with that particular national fraternal organization if the bylaws of such clubs authorize reciprocal privileges. Subsections (1) and (2) of this section shall not apply to members of such organizations.

(4) Persons who are members in good standing of organizations licensed as private nonfraternal clubs may enjoy the privileges of other licensed nonfraternal clubs if the bylaws of such clubs authorize reciprocal privileges. Subsections (1) and (2) of this section shall not apply to members of such clubs.

(5) Courtesy cards may be issued to the adult members of the immediate family of any member with or without charge upon application being made to the club by the member.

(6) In order to recruit new members and build club membership, a private club may hold a public membership function for ~~((two))~~ one day~~((s))~~ per calendar ~~((year))~~ quarter where club liquor may be given or sold to those attending as a part of the membership drive activities. The function must be advertised as a membership drive. Membership drives may not be held on consecutive days.

(7) A person issued a guest card by the club manager pursuant to subsection (1) of this section may introduce visitors into the club provided:

(a) The visitors are accompanied at all times by the sponsoring guest card holder;

(b) The visitors remain in the club only as long as the sponsoring guest card holder is present; and

(c) The house rules or bylaws of the club provide guest card holders the privilege of introducing visitors into the club.