

Private Club Handbook





Washington Laws and Rules referenced:

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WHAT IS A PRIVATE CLUB?

RCW 66.04.010 (8)

"Club" means an organization of persons, incorporated or unincorporated, operated solely for fraternal, benevolent, educational, athletic or social purposes, and not for pecuniary gain.

CLUB PRIVILEGES

WAC 314-40-010 Operations under retail licenses.

Clubs operating under any class of retail license shall govern their operations in selling liquor in accordance with the regulations set forth in Title 66 RCW, applicable to all retail licensees, except as otherwise specifically provided in this title. Such clubs may sell liquor only to members, visitors and guests as specified in these regulations. Licensed clubs shall not be prohibited from renting, leasing or donating all or a portion of their facilities for, or making services available to, a non-club activity where the public is invited or admitted under conditions as permitted by WAC 314-40-080.

In other words

A private club can rent a banquet room to an outside group or person for a private event. The club can also furnish wait staff and bartenders and charge for those services, but the club cannot supply club liquor. The renter can obtain a banquet permit and liquor from a state liquor store, to be served and consumed. Typically, these events are anniversary parties, retirement parties, etc.

A <u>non-profit organization</u> that obtains a special occasion liquor license, could rent a room in a club for an event that is open to the public. <u>But no club liquor can be sold or consumed</u>. The non-profit group would apply for and obtain a special license from the LCB, purchase the liquor to be sold from a state liquor store and either public retailers or distributors. Typically, these types of events are charity auctions with no host bars, dinner dances presented by non-profit charitable organizations to raise money, etc.

MEMBERS

WAC 314-40-005 Definitions.

"Member" means a person who is approved for club membership only after having submitted a written application and been investigated and been approved by ballot.

VISITORS

WAC 314-40-005 Definitions.

"Visitor" means a nonmember who is granted access to the privileges of a club based on a <u>prearranged invitation</u> from a bona fide member. <u>Invitations occurring at the point of entry to the premises do not qualify.</u>

It is a violation to "sign in" anyone who arrives at a club who is not with a club member. All visitors must have been invited prior to arriving at the club. For example, Bob (a club member) invites his neighbor George (not a club member) to come to the club with him next Tuesday. That is legal as long as the club's by laws allow visitors.

Another example: Henry and Mary enter a private club. There is a door person with a sign in book at the entrance and the door person asks Henry and Mary if they are members of the club. Henry and Mary say they aren't members but they heard the club was a good place to dance. Howard, a club member who doesn't know Henry and Mary but over hears the exchange, says he will sign them in as his guests. This is not legal and is a violation.

GUESTS

WAC 314-40-005 Definitions.

"Guest" means a person who is granted access to the privileges of a club through a temporary membership card issued for 14 consecutive days.

LICENSE RENEWALS WAC 314-40-010 (2)

Applications for renewal of club licenses shall be made on forms prescribed by the board and accompanied by such information as the board may request.

(3) All applications must be made in the official name of the organization and be signed by either the president or the secretary and be accompanied by a certified copy of the minutes of that meeting of the governing board of the organization which authorized the president or secretary to make the application. The use of trade names shall not be permitted.

MEMBERSHIP DRIVES:

WAC 314-40-040

In order to increase membership, private liquor licensed clubs may hold events on two days per year and club liquor may be sold to non-members. These events may be advertised; the advertising must say the event is a membership drive.

The two days for membership drives may not be consecutive.

RECORD KEEPING

WAC 314-40-050 Records.

(1) In addition to the requirements of <u>WAC 314-16-160</u>, clubs shall maintain a complete system of bookkeeping covering all operations of the club, with the operations thereof pertaining to liquor being kept separate in a manner prescribed by the board. All such records shall be accessible and be available for inspection and audit by agents of the board. Board agents shall be entitled to make copies or abstracts or, upon furnishing a proper receipt, remove the originals for such purposes as the board deems necessary.

WAC 314-40-050

- (2) After initial licensure, house rules and bylaws shall be submitted to the board whenever changes are made. A copy of the house rules and/or bylaws must be available for inspection by any law enforcement officer or agent of the board during any premises check of the club.
- (3) In addition to <u>WAC 314-40-040</u> visitor records with date and time and sponsoring member must be kept for a minimum of two years.
- (4) In addition to <u>WAC 314-40-040</u> guest records must contain the full name, date of birth, and address of the guest receiving the temporary membership card.

CLUB PROPERTY and FINANCE

WAC 314-40-060 Club property and finances - concessions.

All property of any club, as well as the advantages thereof, must belong to the members. Any funds advanced for the purchase or improvement of club rooms or quarters must be advanced by the membership or upon securities or properties owned by the club, and any obligations assumed in connection with the establishment or operation of club rooms or quarters must be assumed by the entire club.

No club shall receive any money from any source whatsoever under any arrangement through or under which the person or persons advancing such funds, whether members of the club or not, are to be given control or supervision over the operation of the club.

Liquor licensed private clubs may not sell the food / beverage operations of the club and allow another party to operate on the club's liquor license. The club may hire employees to manage the food and beverage operations but the club and the membership must retain complete control of the club. Employees may or may not be club members.

CLUB ROSTER – LIST OF OFFICERS

WAC 314-40-070 Club roster — List of officers.

- (1) Every club shall keep and maintain on the premises a complete roster giving the names and addresses of all its members.
- (2) Each club shall file with the board a complete list of its officers showing the address, occupation and name of each officer. When any change occurs in its officers by reason of election or otherwise, the club shall immediately file with the board a revised list of its officers.

LIQUOR SERVICE AREAS

WAC 314-40-080 Designated portion of club used for service and consumption of liquor.

Each club shall submit a sketch of the entire premises including the portion used for storage, sale and consumption of liquor, for approval. No change in any portion of the club premises shall be made without the consent of the board.

Where the physical setup of the club rooms or quarters renders it practical so to do, such portion of the club premises shall be a room or rooms devoted solely to such service and capable of being entirely closed from the remainder of the club rooms or quarters.

Bona fide members may possess and consume their own alcohol, as authorized by the club's license type, at any time and in any part of the club premises as permitted under the bylaws and/or house rules of the club, provided such bylaws and/or house rules have been filed with the board and except in those portions of the club where non-club events or public events are occurring.

In clubs where the liquor bar is not in a separate room or enclosed in any manner, persons under the age of 21 are not permitted to be seated at the bar. In private clubs that do have bars that are separated from the rest of the club, minors may pass through the bar to access other areas of the club, but may not remain in the bar.

PUBLIC EVENTS

WAC 314-40-080(3)

Any portion of a private club must be closed to the general public when liquor is sold, served, or consumed.

<u>During events that are open to the general public, members, guests, and/or visitors, may not possess alcohol in areas that are open to the general public.</u>

An example: A club has public bingo on Wednesday nights at 8:00pm. The club's entire floor space is one big open room, with the liquor bar along the west wall. During the bingo session, no one including club members may consume or possess club liquor.

Another private club where the floor space includes a fully enclosed bar also has a public bingo game on Tuesday nights. At this club, members and their visitors may consume and possess liquor in the bar only during the bingo session. Members cannot purchase liquor in the bar and take it to the bingo room during the public session.

OUTDOOR EVENTS

WAC 314-40-080 (4)

A club may conduct outside one-time events not to exceed twelve per calendar year for club members provided that:
(a) A request is submitted in writing by the licensee or designee at least five business days before the event which includes a clearly defined site plan of the outside area and the date, time, and type of event. Approval must be received prior to the event.

(b) The licensee must have lease hold rights to the outside area where the one-time event is being held. The outside area is adjacent and/or contiguous to the actual licensed premises,

must not be across public right of ways, and must be enclosed with a barrier a minimum of forty-two inches in height. This area will be considered restricted and all minor restrictions under RCW 66.44.310 will apply.

- (c) All liquor must be prepared, served, and consumed inside the outside service area; persons with liquor may not leave the outside service area. An employee(s) shall be stationed inside the outside service area at all times.
- (d) Sufficient lighting must be maintained under WAC 314-11-055.

On all portions of the premises where alcohol is served or consumed, licensees must maintain sufficient lighting so that identification may be checked and patrons may be observed for the enforcement of liquor laws and rules.

NON-CLUB EVENT ENDORSEMENT

WAC 314-40-095 Endorsements to private club licenses.

- (1) Under <u>RCW 66.24.450</u>, the board may issue an endorsement allowing the club to hold non-club, member-sponsored events using club liquor.
- Each event must have a sponsoring member from the club.
- Each visitor and/or guest may only attend the event by invitation of the sponsoring member(s).
- Event may not be open to the general public.
- At least 72 hours prior to any non-club event, the sponsoring member, or any club officer, must provide to the board: The date, time, and location of the event, the name of the sponsor of the event, and a brief description of the purpose of the event.
- A list of all invited guests and visitors must be available for inspection during the non-club event.

- (2) Under <u>RCW 66.24.450</u>, the board may issue an endorsement allowing the holder of a spirits, beer, and wine private club license to sell bottled wine for off-premises consumption.
- Spirits and beer may not be sold for off-premises consumption
- Bottled wine may only be sold to members, visitors, and guests defined under <u>WAC 314-40-005</u>. Bottled wine may not be sold to the general public.

An example of a member sponsored, non-club event:

John Lewis is a member of the ABC Fraternal Club, a holder of a private club liquor license. John is also a member of the local volunteer fire fighters. John reserves a banquet room at the ABC club house and hosts a private dinner, open only to the fire fighters group. Club liquor is sold and served. The event is member sponsored and not open to the public.

ADVERTISING: WAC 314-52-45

Private liquor licensed clubs have strict advertising rules that must be followed. No advertising can be directed to the general public. All advertising for club events must be clear the event is only for members and their personally invited guests. Reader boards and signs outside the club, in the public's view, must not give the impression the club or events at the club are open to the public.

An example of incorrect advertising: A banner is attached to the building housing the Loyal Order of Elephants, a club with a private liquor license. The banner reads "Friday night ... Dancing to Wild Willie and the Wizards ... 9:00pm – 1:00am Come dance the night away!" Since the banner does not say the dance is for club members only and the banner is open to public viewing, it is not legal. If the words "members only" are added to the banner it would be legal advertising.

Other pertinent rules:

"Employee" means any person performing services on a licensed premises for the benefit of the licensee. WAC 314-01-005 (3)

Licensees responsibilities WAC 314-11-015:

- (2)(b) Permit any disorderly person to remain on the licensed premises;
- (2)(d) Consume liquor of any kind while working on the licensed premises

Sales and service of alcohol to minors and/or persons who appear intoxicated is prohibited: RCW 66.44.270

• Furnishing liquor to minors

RCW66.44.310

Minors frequenting off-limits area

RCW66.44.200

- Sales to persons apparently under the influence of liquor WAC 314-16-150
- No sale of liquor to minors, intoxicated persons

This handbook is intended as a quick-reference guide for the club officers, manager and employees. Additional indepth training is available from your Liquor Enforcement Officer or online at www.liq.wa.gov.

We welcome your comments. Please call, email or write:

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