



Washington State  
**Liquor and Cannabis Board**

---

**Date:** March 29, 2023

**To:** David Postman, Board Chair  
 Ollie Garrett, Board Member  
 Jim Vollendroff, Board Member

**From:** Jeff Kildahl, Policy and Rules Coordinator

**Copy:** Rick Garza, Agency Director  
 Toni Hood, Agency Deputy Director  
 Chandra Wax, Director of Enforcement and Education  
 Becky Smith, Licensing Director  
 Justin Nordhorn, Policy and External Affairs Director  
 Kathy Hoffman, Policy and Rules Manager

**Subject:** **Approval to file a pre-proposal statement of inquiry (CR 101) regarding private club membership drives.**

The Washington State Liquor and Cannabis Board is considering amending WAC 314-40-040, and amending, repealing, or creating other rules in Title 314 WAC, as necessary to allow private clubs licensed under RCW 66.24.450 or 66.24.452 to add additional membership drives and/or host consecutive membership drives.

**Process**

The Policy and Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rule making described above. A CR 101 Memorandum was presented at the Board meeting on March 29, 2023, and is attached to this order.

If approved for filing, the **tentative timeline** for the rule making process is outlined below:

March 29, 2023	Board is asked to approve filing pre-proposal statement of inquiry (CR 101). CR 101 is filed with the Office of the Code Reviser. Webpage is updated and notice circulated by GovDelivery distribution list. Informal comment period begins.
April 19, 2023	Notice is published in the Washington State Register under WSR 23-05.
May 18, 2023	Informal comment period ends.

May 24, 2023	Board is asked to approve filing proposed rules (CR 102). CR 102 is filed with the Office of the Code Reviser. Webpage is updated and notice circulated by the rules distribution list. Formal comment period begins.
June 21, 2023	Notice is published in the Washington State Register under WSR 23-12.
July 5, 2023	Public hearing is held and formal comment period ends.
July 19, 2023	Board is asked to adopt rules, if no substantive changes are made (CR 103). Concise Explanatory Statement is provided to individuals offering written or oral comment at the public hearing or during the formal comment period, consistent with RCW 34.05.325. CR 103 and adopted rules are filed with the Office of the Code Reviser. Webpage is updated and notice circulated by GovDelivery distribution list.
August 19, 2023	Rules are effective 31 days after filing unless otherwise specified. See RCW 34.05.380(2).

Approve       Disapprove      \_\_\_\_\_      \_\_\_\_\_  
 David Postman, Chair      Date

Approve       Disapprove      \_\_\_\_\_      \_\_\_\_\_  
 Ollie Garrett, Board Member      Date

Approve       Disapprove      \_\_\_\_\_      \_\_\_\_\_  
 Jim Vollendroff, Board Member      Date

Attachments: CR 101 Memorandum.  
 September 14, 2022 Board Response to Petition for Amending Rule



## CR 101 Memorandum

### Regarding private club membership drives.

Date: March 29, 2023  
Presented by: Jeff Kildahl, Policy and Rules Coordinator

---

### Background

On July 28, 2022, Keith Laurent, on behalf of the Vancouver Elks #823, submitted a petition for adoption, amendment, or repeal of a state administrative rule to the Washington State Liquor and Cannabis Board (Board). The petition requested that the Board amend WAC 314-40-040(6) to allow private clubs to add one additional membership drive per calendar quarter (for a total of eight per year) and host a membership drive on two consecutive days during one quarter per calendar year.

On September 14, 2022, the Board accepted the petition. Consistent with RCW 34.05.330(1)(b), the Board agreed to initiate the rulemaking process and begin collaboratively engaging with stakeholders and any interested members of the public to explore the possibility of allowing private clubs to add additional membership drives and/or host consecutive membership drives.

### Reasons Why Rulemaking Is Needed

Amending WAC 314-40-040, and amending, repealing, and creating other rules in Title 314 WAC, may be necessary to allow private clubs licensed under RCW 66.24.450 or 66.24.452 to add additional membership drives and/or host consecutive membership drives.

### Process

The rulemaking process begins by announcing the Board's intent to consider changes to existing rules, add new rule sections, or both by filing a pre-proposal statement of inquiry (CR 101) form with the Office of the Code Reviser. This allows staff, stakeholders, industry partners, and all members of the authorizing environment to begin discussing possible rule changes.

At the CR 101 stage of the rulemaking process, no proposed language is offered. Any interested person may comment on the subject of this possible rulemaking during the designated comment period. Notice will be sent to all who have

indicated that they want to receive notice of rule activity related to this pre-proposal statement of inquiry. The notice will identify the public comment period and where comments can be sent.

# PREPROPOSAL STATEMENT OF INQUIRY



**CR-101 (October 2017)**  
**(Implements RCW 34.05.310)**  
Do **NOT** use for expedited rule making

**Agency:** Washington State Liquor and Cannabis Board

**Subject of possible rule making:** The Washington State Liquor and Cannabis Board (WSLCB) is considering amending WAC 314-40-040, and amending, repealing or creating other rules in Title 314 WAC, as necessary to allow private clubs licensed under RCW 66.24.450 or 66.24.452 to add additional membership drives and/or host consecutive membership drives.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 66.08.030, 66.24.450

**Reasons why rules on this subject may be needed and what they might accomplish:** On September 14, 2022, the Board accepted a rule petition related to private club membership drives. Consistent with RCW 34.05.330(1)(b), the WSLCB is initiating the rulemaking process to begin collaboratively engaging with stakeholders and any interested members of the public to explore the possibility of allowing private clubs to add additional membership drives and/or host consecutive membership drives.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** None

**Process for developing new rule (check all that apply):**

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Collaborative rule making

**Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:**

Name: Policy and Rules Coordinator  
Address: PO BOX 43080, Olympia, WA 98504  
Phone: 360-480-1238  
Fax: 360-704-5027  
TTY:  
Email: rules@lcb.wa.gov  
Web site: lcb.wa.gov  
Other:

(If necessary)

Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Web site:  
Other:

Additional comments: Interested persons can participate in the rule process through open public meetings and by submitting written comments, and are encouraged to sign up for the interested parties list (GovDelivery) at <https://public.govdelivery.com/accounts/WALCB/subscriber/new>. Rulemaking notices and stakeholder engagement opportunities will be emailed via GovDelivery and posted to the WSLCB website at lcb.wa.gov.

<b>Date:</b> March 29, 2023	<b>Signature:</b>  Place signature here
<b>Name:</b> David Postman	
<b>Title:</b> Chair	



# Washington State Liquor and Cannabis Board

**Topic:** Petition for Adoption, Amendment, or Repeal of a State Administrative Rule – Private Club Membership Drives WAC 314-40-040(6).

**Date:** September 14, 2022

**Presented by:** Audrey Vasek, Policy and Rules Coordinator

## Background

On July 28, 2022, Keith Laurent on behalf of the Vancouver Elks #823, submitted a petition for adoption, amendment, or repeal of a state administrative rule. The petition requests that the agency amend WAC 314-40-040(6) to allow private clubs to add one additional membership drive per calendar quarter (for a total of eight per year) and host a consecutive membership drive during one quarter per calendar year.

In the rule petition, Keith Laurent stated:

**2. AMEND RULE - I am requesting the agency to change an existing rule.**

List rule number (WAC), if known: WAC 314-40-040(6)

- I am requesting the following change: (6) In order to recruit new members and build club membership, a private club may hold a public membership function for two days per calendar quarter where club liquor may be given or sold to those attending as a part of the membership drive
- This change is needed because: To add 1 additional membership drives per calendar quarter and to allow 1 quarter per calendar year to host a consecutive membership drive.
- The effect of this rule change will be: To be able to reach out to the community more and showcase the good works we do within our Community, the State of Washington and across the Nation

In the email containing the rule petition, Keith Laurent further stated:

This is the verbage [*sic*] of the request:

(6) In order to recruit new members and build club membership, a private club may hold a public membership function for [~~one day~~] **two days** per calendar 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.~~] **A membership drive may be held on 2 consecutive days once per calendar year.**<sup>1</sup>

## Issue

---

<sup>1</sup> In this quote, bold text has been added in lieu of the highlighting contained in the original email. Underlining has been added to show where new language was added to the rule, and bracketed text with strikethroughs has been added to show where language was removed from the rule.

Whether the Board should initiate the rulemaking process to consider amending WAC 314-40-040(6) to allow private clubs to add one additional membership drive per calendar quarter where club liquor may be given or sold as part of the membership drive activities (for a total of eight per year) and host a consecutive membership drive during one quarter per calendar year.

## Authority

### *Laws*

RCW 66.08.030(11) authorizes the Board to adopt rules “[p]rescribing the conditions and qualifications requisite for the obtaining of club licenses and the books and records to be kept and the returns to be made by clubs, prescribing the manner of licensing clubs in any municipality or other locality, and providing for the inspection of clubs”.

RCW 66.04.010(8) defines “club” as “an organization of persons, incorporated or unincorporated, operated solely for fraternal, benevolent, educational, athletic, or social purposes, and not for pecuniary gain.”

RCW 66.24.450 describes the qualifications for a spirits, beer, and wine private club license, including that the Board must determine that a private club is a “bona fide private club”:

(1) **No club shall be entitled to a spirits, beer, and wine private club license:**

...

(c) **Unless the board shall have determined pursuant to any regulations made by it with respect to private clubs, that such private club is a bona fide private club;** it being the intent of this section that license shall not be granted to a club which is, or has been, primarily formed or activated to obtain a license to sell liquor, but solely to a bona fide private club, **where the sale of liquor is incidental to the main purposes** of the spirits, beer, and wine private club, as defined in RCW 66.04.010(8).

RCW 66.24.450(1)(c) (emphasis added).

### *Rules*

WAC 314-40-040 contains regulations related to private club guests and visitors. Subsection (6) allows clubs to hold public membership drives under certain conditions:

In order to recruit new members and build club membership, a private club may hold a public membership function for one day per calendar 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.”

WAC 314-40-040(6).

WAC 314-40-080 contains requirements for liquor service areas at private clubs. Subsection (3) states that:

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

WAC 314-40-080(3).

WAC 314-52-115 contains advertising regulations for private clubs. Subsection (4) states:

A private club may hold a public membership function as outlined in WAC 314-40-040(6). The function must be advertised as a membership drive.

WAC 314-52-115(4).

## **Analysis**

The Board has statutory authority under RCW 66.08.030(11) to create rules regarding licensing, recordkeeping, and inspection requirements for private clubs with a liquor license. A private “club” is defined in statute as “an organization of persons, incorporated or unincorporated, operated solely for fraternal, benevolent, educational, athletic, or social purposes, and not for pecuniary gain.” RCW 66.04.010(8).

There are two types of private club liquor licenses created by statute: a spirits, beer, and wine private club license (RCW 66.24.450) and a beer and wine private club license (RCW 66.24.452). In order to be eligible for the spirits, beer, and wine private club license, a private club must be a “bona fide private club, where the sale of liquor is incidental to the main purposes of the spirits, beer, and wine private club, as defined in RCW 66.04.010(8).” RCW 66.24.450.<sup>2</sup>

Consistent with this statutory authority, the regulations for private clubs in chapter 314-40 WAC establish requirements for club operations, applications, constitutions, guest and courtesy cards, recordkeeping, club property and finances, club roster, liquor service areas, and endorsements. See WAC 314-40-010 through 314-40-095.<sup>3</sup> Advertising regulations for private clubs are located in WAC 314-52-115.

---

<sup>2</sup> The “bona fide club” requirement has remained largely unchanged since 1949. See section 6, chapter 5, Laws of 1949 ([1949 c 5 § 6](#)).

<sup>3</sup> The Board’s private club regulations date to as early as 1963. See earliest statutory authority listed for [WAC 314-40-010](#) through [314-40-080](#), citing Rules 103-110, filed 6/13/63. In fact, some of the current

Under the current rules, private clubs are generally not allowed to serve alcohol during events that are open to the public. WAC 314-40-080(3). However, the rules provide an exception for alcohol service at public membership drives where the purpose is to “recruit new members and build club membership.” WAC 314-40-040(6).<sup>4</sup> If a private club wants to hold a membership drive “where club liquor may be given or sold to those attending as a part of the membership drive activities,” they are allowed to do so “one day per calendar quarter” for a total of four times per year, but not on consecutive days. *Id.* The rule requires that the event “must be advertised as a membership drive.” *Id.* See also, WAC 314-52-115(4) (Regulations related to advertising by clubs.).

In this petition, Keith Laurent requests that the Board initiate the rulemaking process to consider amending WAC 314-40-040(6) to allow private clubs to add one additional membership drive per calendar quarter, and host a consecutive membership drive during one quarter per calendar year. Essentially, this would double the number of club membership drives where alcohol may be given or sold, from four to eight per year, and allow a private club to hold a two-day membership drive involving alcohol once per year.

While the petition states that this rule change will allow clubs “to be able to reach out to the community more and showcase the good works we do within our Community, the State of Washington and across the Nation,”<sup>5</sup> agency staff would like to note that private clubs can hold as many membership drives as they wish, as long as alcohol is not a part of the membership drive activities. The Board regulations in WAC 314-40-040(6) only impact membership drives that involve alcohol.

Agency staff find that there are a couple of key issues to consider when evaluating the risks and benefits of allowing private clubs to add additional membership drives and/or host consecutive membership drives where club liquor may be given or sold as part of the membership drive activities:

- What are the potential public health and safety impacts?
- What are the potential impacts to agency resources?

#### *Potential Public Health and Safety Impacts*

Membership drives where club liquor can be provided to the general public may have greater public health and safety impacts than a typical club event where club liquor is not allowed to be provided to the general public. See WAC 314-40-080(3). For example, if large numbers of the general public visit a private club during a membership drive where club liquor is given for free or sold to attendees, the potential risks for over service of alcohol, alcohol-related disorderly conduct, impaired driving, and youth access may

---

private club regulations have remained unchanged since 1963. See, e.g., [WAC 314-40-060](#) (Club property and finances—Concessions.) and [WAC 314-40-070](#) (Club roster—List of officers.)

<sup>4</sup> This rule section was last amended in 2017 in response to a rule petition, increasing the number of membership drives allowed from “two days per calendar year,” to the current number of “one day per calendar quarter.” [WSR 17-16-072](#). See also, [Concise Explanatory Statement](#) for WSR 17-16-072.

<sup>5</sup> Rule Petition, page 2.

increase at the licensed location. For this reason, if rulemaking is initiated on this subject, agency staff find that it will be important to work with stakeholders to explore ways to mitigate these public health and safety concerns.

### *Potential Agency Resource Impacts*

Because of the potential public health and safety impacts described above, if the number of private club membership drives where club liquor can be provided to the general public increases, additional LCB Enforcement and Education staff time may be needed to visit events in-person and work with private clubs on education and compliance. For this reason, if rulemaking is initiated on this subject, agency staff find that it will be important to work with stakeholders to explore ways that the LCB can provide education and assist with compliance.

### *Conclusion*


Considering the potential risks and benefits described above, Director's Office staff find that opening up this subject for inquiry and public discussion would be worthwhile. Initiating the rulemaking process as requested in this petition would allow the agency to begin collaboratively engaging with stakeholders and any interested members of the public to explore the possibility of allowing private clubs to add additional membership drives and/or host consecutive membership drives.

### **Recommendation**


For the reasons described above, Director's Office staff recommend that consistent with RCW 34.05.330(1)(b), the Board accept Keith Laurent's rule petition request, received on July 28, 2022, and initiate rulemaking proceedings to begin exploring the possibility of allowing private clubs to add one additional membership drive per calendar quarter and host a consecutive membership drive during one quarter per calendar year.

**Board Action**

After considering the recommendation of Director’s Office staff, the Board accepts/denies the petition for rulemaking received from Keith Laurent on July 28, 2022.

Accept  Deny  9.14.2022  
David Postman, Chair Date

Accept  Deny  9.14.2022  
Ollie Garrett, Board Member Date

Accept  Deny  9.14.2022  
Jim Vollendroff, Board Member Date

**Attachments**

- 1. Email from Keith Laurent received July 28, 2022, containing rule petition.
- 2. Laws and Rules cited under the “Authority” section above.

**Target GovDelivery Subscriber Audience:** Alcohol Licensees, Rulemaking, Board Meeting, and other related subscribers

**Possible Subject Line:**

LCB Board Action: Preproposal Statement of Inquiry (CR 101) Filed for Private Club Membership Drives

On March 29, 2023, during a regularly scheduled meeting, the Washington State Liquor and Cannabis Board took the following action:

**Alcohol-related Rulemaking:**

**New rulemaking initiated**

*The Board approved a Preproposal Statement of Inquiry (CR 101) to consider amending WAC 314-40-040, and amending, repealing or creating other rules in Title 314 WAC, as necessary to allow private clubs licensed under RCW 66.24.450 or 66.24.452 to add additional membership drives and/or host consecutive membership drives.*

- Notice to Stakeholders
- Memorandum
- CR 101 filed as WSR 23-08-XX on [March 29, 2023]

More information is available on the [LCB Current Rulemaking Activity](#) webpage. If you have any questions regarding this announcement, please contact [rules@lcb.wa.gov](mailto:rules@lcb.wa.gov).



## Notice of Pre-proposal Statement of Inquiry WSR 23-08-XXX

The Washington State Liquor and Cannabis Board (WSLCB) has filed a pre-proposal statement of inquiry (CR 101) to consider amending WAC 314-40-040, and amending, repealing or creating other rules in Title 314 WAC, as necessary to allow private clubs licensed under RCW 66.24.450 or 66.24.452 to add additional membership drives and/or host consecutive membership drives.

The WSLCB encourages your input on the subject of this rulemaking. Following the CR 101 comment period, the agency will distribute and publish a CR 102 with proposed rules, establish a formal comment period consistent with chapter 34.05 RCW on the proposed rules, and hold a public hearing before the final rules are adopted.

### Public Comment

Please send your comments on the CR 101 to the WSLCB through mail, e-mail, or fax **by May 18, 2023**. The CR 102 with proposed rules is anticipated to be filed on or after April 5, 2023, following collaborative rule development.

<b>By mail:</b>	Rules Coordinator	<b>By e-mail:</b>	<b>By fax:</b>
	Liquor and Cannabis Board	<a href="mailto:rules@lcb.wa.gov">rules@lcb.wa.gov</a>	360-704-5027
	P.O. Box 43080		
	Olympia, WA 98504-3080		

This notice can be found at <https://lcb.wa.gov/laws/current-rulemaking-activity>.