Washington State
Liquor and Cannabis Board

CR 102 Memorandum

Regarding private club membership drives.

Date: July 5, 2023
Presented by: Dr. Kathy Hoffman, Research Manager

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, host consecutive membership drives, or both.

Stakeholder Engagement

To develop potential rule language, a set of conceptual draft rules[1] was shared publicly through GovDelivery on May 3, 2023. As part of the collaborative rule development process, the messaging asked for stakeholder feedback and suggestions for revisions to the conceptual draft rules by March 17, 2023.[2]

Most of the feedback[3] received was supportive in nature and did not include any specific suggestions for changes to the conceptual draft rule language. Based on the feedback received, the WSLCB did not make any changes to the conceptual draft rule language. The proposed rules are identical to the conceptual draft rules.

[1] The conceptual draft rules were developed by a WSLCB project team consisting of staff from the finance, enforcement and education, and licensing divisions.
[2] See Attachment A to this CR 102 Memo, GovDelivery message titled “Private Club Membership Drives: Feedback Requested on Draft Conceptual Rules” (May 3, 2023).
[3] See Attachment B to this CR 102 Memo, table containing public feedback received May 3, 2023, to May 17, 2023.

Diversity, Equity, Inclusion and Belonging

The agency relies on a continuous policy analysis process centered on the overarching domains of stakeholder engagement and education. These are surrounded by continuous evaluation and framed by the following additional domains:

- Problem identification;
- Policy analysis;
- Strategy and policy development;
- Policy enactment; and
- Policy implementation.

To evaluate a problem and analyze its policy implications, the agency relies on a policy framing tool designed to view the problem and associated analysis through seven different criteria. These are:

- Diversity, equity and inclusion;
- Licensing Division impacts/perspectives;
- Public Safety (WSLCB Education and Enforcement) impacts/perspectives;
- Public Health/Prevention impact/perspectives;
- Feasibility (the likelihood that the policy can be successfully adopted and implemented);
- Economic and budgetary impacts, including a comparison of the costs to enact, implement, and enforce the policy with the value of the benefit; and
- A legal assessment to assure that the rule is authorized by statute.

Each of these criteria are reviewed under different analysis focus areas. The analysis:

CRITERIA	***Analysis Focus***
Diversity, Equity, Inclusion, and Belonging	• **Diversity:** Does the policy consider race and ethnicity, gender and gender identity, sexual orientation, socioeconomic status, language, culture, national origin, religious commitments, age, (dis)ability status and political perspectives across the authorizing environment? • **Equity:** Does the policy support the agency's commitment to work actively in challenging and responding to bias, harassment, and discrimination? Does the policy extend the agency's commitment to equal opportunity for all persons and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, or veteran status? • **Inclusion:** Does the policy support the agency's commitment to pursuing deliberate efforts to respectfully honor and acknowledge different perspectives, where every individual feels a sense of inclusion that leverages collective capabilities? • **Belonging:** Does the policy identify and remove barriers that limit or prevent equity and justice for all, particularly for those who have been historically excluded and oppressed? Does the policy move toward replacing old systems with new systems that are just, equitable, diverse and inclusive for the benefit of all?

Responses to each of these analysis elements as they relate to this rule proposal are offered below:

Analysis Focus	***Agency Response***
Diversity: Does the policy embodied in proposed rule consider race and ethnicity, gender and gender identity, sexual orientation, socioeconomic status, language, culture, national origin, religious commitments, age, (dis)ability status and political perspectives across the authorizing environment?	The agency recognizes that race, gender, sexual orientation, socioeconomic status, language, culture, national origin, religious commitments, age, ability and political perspectives are deeply connected. This understanding informs the agency's commitment to shifting repressive power dynamics and strengthening the influence of those most affected by the impact of such dynamics. That shift is represented in ways that the agency has worked to find ways for businesses to expand their operations, and to mitigate the economic impacts of the COVID-19 pandemic, while not placing the health of employees or customers at risk. These adjustments are framed in a way that reduce barriers to participation in the regulated market, while honoring the four pillars of public administration (economy, efficiency, effectiveness, and social equity),[1]
Equity: Does the policy embodied in proposed rule support the agency's commitment to work actively in challenging and responding to bias, harassment, and discrimination? Does the policy extend the agency's commitment to equal opportunity for all persons and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, or veteran status?	Equal access to inequitable systems does not advance social equity. Disparities in structures and systems ensures barriers to access. By reverse engineering regulatory frameworks to align with statute, the agency has been able to proactively dismantle them, allowing the agency to enable conditions that can lead to social equity. These efforts are embedded in the agency's approach to rule and policy development. The policy represented in this rule proposal demonstrates the agency's continued commitment to regulation that supports socially equitable conditions by supporting business stability through regulatory expansion.
Inclusion: Does the policy embodied in the proposed rule support the agency's commitment to pursuing deliberate efforts to respectfully honor and acknowledge different perspectives, where every individual feels a sense of inclusion that leverages collective capabilities?	The policies embodied in this proposal were developed by the agency based on a rule petition and its suggested language. These policies were developed through an inclusive process that honored and leveraged community knowledge and capabilities to assure that all voices were heard, acknowledged, and included in the policy considerations.
Belonging: Does the policy embodied in proposed rule identify and remove barriers that limit or prevent equity and justice for all, particularly for those who have been historically excluded and oppressed? Does the policy move toward replacing old systems with new systems that are just, equitable, diverse and inclusive for the benefit of all?	Belonging is difficult to quantitatively measure. Cultivating a sense of belonging hinges on building trust and effective working relationships that support positive business outcomes. The cultivation process includes creating space for information sharing between regulators and those who are regulated or thinking about becoming part of the regulated community. The rule proposal supports a culture of belonging because it reflects the contributions and thinking of licensees, their representatives, and the communities in which those licensees conduct business, providing policy continuity and regulatory stability.

Estimated Costs of Compliance

For the purpose of the minor cost analysis required by the Regulatory Fairness Act (chapter 19.85 RCW), the CR 102 form includes estimated costs of compliance with the proposed rules. The proposed rule revisions extend the number of days per quarter that a private club may hold membership functions from one to two days per calendar quarter and provide that membership drives may be held on two consecutive days, rather than one, per calendar year. The proposal also provides that there must be at least seven days between membership events. These proposed rule revisions are anticipated to support continuation, expansion, and sustainability of needed community service provision.

The agency anticipates that licensees will not incur additional compliance costs as a result of these rule revisions. The agency anticipates that licensees may need to spend a small amount of time (less than 30 minutes of administrative time) to apply for permitting for the additional membership drive days. The estimated costs of compliance and the relevant minor cost threshold estimates are described in the CR 102 form.

Rule Necessity

Amending WAC 314-40-040 is necessary to allow private clubs licensed under RCW 66.24.450 or 66.24.452 to add additional membership drives, host consecutive membership drives, or both.

Description of Rule Changes

Amended section. 314-40-040(6) related to recruiting and building club memberships. The proposed rule revisions include increasing public membership drive functions from one to two calendar days per calendar quarter; providing that membership drives may be held on two consecutive days per calendar years; and providing that there must be at least seven days between membership events.

Attachments:
Attachment A: GovDelivery message titled “Private Club Membership Drives: Feedback Requested on Draft Conceptual Rules”
Attachment B: Draft Conceptual Rule Comment Table