



Notice of Rule Change – Explanatory Statement Clubs

This explanatory statement concerns the **Washington State Liquor Control Board's adoption of changes to rules regarding Clubs.**

The Administrative Procedure Act (RCW 34.05.325(6)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. This statement must be provided to anyone who gave comment about the proposed rule making.

Once persons who gave comment during this rule making have had a chance to receive this document, the Liquor Control Board will file the amended rules with the Office of the Code Reviser. These rule changes will become effective 31 days after filing (approximately August 28, 2010).

The Liquor Control Board appreciates your involvement in this rule making process. If you have any questions, please contact Karen McCall, Rules Coordinator, at (360) 664-1631 or e-mail at rules@liq.wa.gov.

What are the agency's reasons for revising these rules?

These rules are being revised as part of the Rules review process. In addition, rules are needed to implement the following interim board policy:

- **Interim Board Policy #01-2010:** Outside One-Time Events at Private Clubs

What changes are being made?

The Board adopted these rule changes July 28, 2010. The rules will be filed on July 28, 2010 and will be effective on August 28, 2010.

Summary of all public comments received on this rule proposal.

No public comment was received.

Testimony at Public Hearing – July 14, 2010 Olympia, WA

None

WAC Changes

NEW SECTION

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 fourteen consecutive days.

"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.

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

AMENDATORY SECTION (Amending Order 107, Resolution No. 116,
filed 6/16/82)

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 ((II)) 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 nonclub activity where the public is invited or admitted under conditions as permitted by WAC 314-40-080.

[Statutory Authority: RCW 66.08.030 and 66.98.070. 82-13-069 (Order 107, Resolution No. 116), § 314-40-010, filed 6/16/82; Order 23, § 314-40-010, filed 7/3/73; Rule 103, filed 6/13/63.]

AMENDATORY SECTION (Amending WSR 93-11-028, filed 5/10/93, effective 6/10/93)

WAC 314-40-030 Constitution--Bylaws--House rules. (1) No license shall be issued to any organization or club unless its constitution, bylaws, and house rules are submitted to the board as evidence that the applicant qualifies as a bona fide club under provisions of state liquor laws and regulations.

(2) The constitution, bylaws and/or house rules shall provide, among other things:

(a) That all classifications of members must be admitted only (~~on~~) after written application and only after investigation and ballot. Such admissions must be duly recorded in the official minutes of a regular meeting;

(b) Standards of eligibility for members;

(c) Limitation on the number of members consistent with the nature of the organization or club;

(d) That not more than twelve honorary members be admitted in any one calendar year, and that nonresident and associate members be restricted to numbers consistent with the nature of the organization or club;

(e) Reasonable initiation fees and dues consistent with the nature and purpose of the organization or club;

(f) The period for which dues shall be paid and the date upon which this period shall expire;

(g) Reasonable regulations for the dropping of members for the nonpayment of dues;

(h) Strict regulations for the government of organization or club rooms and quarters generally consistent with its nature and character;

(i) That organization or club rooms and quarters must be under the supervision of a manager and house committee, which committee shall be appointed by the governing body of the organization or club;

(j) Provisions for visitors and for the issuance and use of guest and courtesy cards in accordance with WAC 314-40-040.

[Statutory Authority: RCW 66.08.030. 93-11-028, § 314-40-030, filed 5/10/93, effective 6/10/93; Order 19, § 314-40-030, filed 8/10/72; Rule 105, filed 6/13/63.]

AMENDATORY SECTION (Amending WSR 95-16-030, filed 7/21/95, effective 8/21/95)

WAC 314-40-040 Guest and courtesy cards--Visitors. (1)

Guest cards (~~may be issued only as follows:~~

~~(a) For clubs located within the limits of any city or town, only to those persons residing outside of an area ten miles from the limits of such city or town;~~

~~(b) For clubs located outside of any city or town only to those persons residing outside an area fifteen miles from the location of such club: Provided, That where such area limitation encroaches upon the limits of any city or town, the entire corporate limits of such city or town shall be included in the prohibited area;~~

~~(c) Such))~~ 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 ~~((two weeks))~~ 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;

~~((d) Mileage restrictions in (a) and (b) of this subsection shall not apply to))~~ (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(~~(÷ Provided, That))~~). Any such visitor may only enjoy the privileges of the club ~~((a reasonable number of))~~ six times in any one calendar year.

(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(~~(÷ Provided, That)~~) if the bylaws of such clubs authorize reciprocal privileges(~~(÷ Provided further, That)~~). 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(~~(÷ Provided, That)~~) if the bylaws of such clubs authorize reciprocal privileges(~~(÷ Provided further, That)~~). 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 ~~((one))~~ two days per calendar year 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 ~~((and may not be held in conjunction with any other nonclub activity or event))~~. 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(~~and, such house rules or bylaws have been filed with the liquor control board~~)).

[Statutory Authority: RCW 66.08.030. 95-16-030, § 314-40-040, filed 7/21/95, effective 8/21/95; 88-07-060 (Order 239, Resolution No. 248), § 314-40-040, filed 3/16/88; 88-01-016 (Order 235, Resolution No. 244), § 314-40-040, filed 12/8/87; 86-07-013 (Order 177, Resolution No. 186), § 314-40-040, filed 3/11/86. Statutory Authority: RCW 66.08.030 and 66.98.070. 85-06-020 (Order 152, Resolution No. 161), § 314-40-040, filed 2/27/85; 82-04-028 (Order 92, Resolution No. 101), § 314-40-040, filed 1/27/82; Rule 106, filed 6/13/63.]

AMENDATORY SECTION (Amending Rule 107, filed 6/13/63)

WAC 314-40-050 Records. (1) In addition to the requirements of WAC 314-16-160, 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 ~~((maintained in an office on the licensed premises))~~ accessible and be available for inspection and audit by agents of the board ~~((, which))~~. Board agents shall be entitled to make copies ~~((thereof))~~ or abstracts ~~((therefrom))~~ or, upon furnishing a proper receipt ~~((therefor))~~, remove the originals for such purposes as the board deems necessary.

(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 WAC 314-40-040 visitor records with date and time and sponsoring member must be kept for a minimum of two years.

(4) In addition to WAC 314-40-040 guest records must contain the full name, date of birth, and address of the guest receiving the temporary membership card.

[Rule 107, filed 6/13/63.]

AMENDATORY SECTION (Amending Order 246, Resolution No. 255, filed 4/5/88)

WAC 314-40-080 Designated portion of club used for service and consumption of liquor. (1) 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 (~~(so described and approved)~~) shall be made without the consent of the board.

(2) 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 (~~(liquor)~~) 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 nonclub events or public events are occurring.

(3) (~~(If the club rents any portion of the club rooms or quarters for any purpose other than a strictly club purpose, or holds any function within the club rooms or quarters to which the public generally is invited or admitted, then such portion devoted to liquor service must be closed to the public generally and no one admitted therein, except bona fide members, bona fide visitors and bona fide guests. If such portion cannot be so~~

~~closed, then no such liquor service whatever shall be permitted within the club rooms or quarters during the entire time when such nonclub activity is taking place or while the public generally is permitted within the club rooms or quarters.))~~ 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.

(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.

[Statutory Authority: RCW 66.08.030. 88-08-056 (Order 246, Resolution No. 255), § 314-40-080, filed 4/5/88; Rule 110, filed 6/13/63.]

NEW SECTION

WAC 314-40-095 Endorsements to private club licenses. (1)

Under RCW 66.24.450, the board may issue an endorsement allowing the club to hold up to forty nonclub, member-sponsored events using club liquor.

(a) Each event must have a sponsoring member from the club.

(b) Each visitor and/or guest may only attend the event by invitation of the sponsoring member(s).

(c) Event may not be open to the general public.

(d) At least seventy-two hours prior to any nonclub 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.

(e) A list of all invited guests and visitors must be available for inspection during the nonclub event.

(2) Under RCW 66.24.450, 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.

(a) Spirits and beer may not be sold for off-premises consumption.

(b) Bottled wine may only be sold to members, visitors, and guests defined under WAC 314-40-005. Bottled wine may not be sold to the general public.