

# AT-A-GLANCE

## Private Club Package

### Initial Action

(To adopt, amend, & renumber rules in Division 5, 6 & 8)

### December 2008

OAR 845-008-0045 (Service to Guests by Full On-Premises Sales Licensees) describes to whom and under what conditions private clubs may sell and serve alcoholic beverages under the privileges of their full on-premises sales license.

This rule package would eliminate the Division 8 private club rule, and instead create two new rules governing private clubs that would follow our normal rule structure, one in Division 5 setting license criteria (OAR 845-005-0321) and one in Division 6 setting compliance requirements (OAR 845-006-0490). The proposal would also amend OAR 845-005-0320 (License Refusal Reasons that Can Not be Overcome) by deleting section (5) regarding private clubs and moving the concepts of minimum membership, required charter time, and the definition of members into the new licensing rule specific to private clubs.

Both of the two new rules proposed would contain a definitions section containing clarified private club definitions for members (full and auxiliary), nonmembers, and nonprofit corporations. (ORS 471.175(8) requires a private club to be nonprofit for liquor licensing purposes.)

Staff recommends a greatly simplified requirements rule for private clubs in that the new OAR 845-006-0490 would eliminate both the concept of private clubs having to track all their different types of events and guest relationships, and also of requiring guest lists. Instead the proposed rule language would focus on the core compliance issues of when the higher Full-Commercial food service standard is required, and the requirements regarding accompanying nonmembers when they are in the private club together with the service of alcohol.

The proposed amendments address the major concerns expressed by private club licensees regarding requirements that do not make sense in their real-world application such as that the current rule requires a member's minor children to sign in, requires a member's spouse to have everything purchased for them at the club, and stands as a barrier to holding memorial services for deceased members. The goal is to leave the operational details up to the private club and instead focus the Commission's compliance efforts on responsible alcohol service.

### **SUGGESTED MOTION:**

*I move to initiate rulemaking to adopt, amend and renumber Private Club rules in Division 5, 6 & 8, and to hold a rulemaking hearing at staff's discretion.*