

January 15, 2014

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Ron Collins

**RE: Club Members Not in Good Standing**

Dear Mr. Collins:

ISSUE: This is in response to your e-mail of December 4, 2013, in which you pose a question as to whether members classified as “not in good standing” are entitled to service at the club. These members still own shares of stock that cannot be purchased until new members join as per the club’s bylaws.

Records of the Pennsylvania Liquor Control Board (“Board”) indicate that Honesdale Golf Club holds Catering Club Liquor License No. CC-5551 (LID 3976) for the premises located at Golf Hill Road, Honesdale, Pennsylvania.

OPINION: Section 102 of the Liquor Code defines a “club” as “any reputable group of individuals associated together not for profit for legitimate purposes of mutual benefit, entertainment, fellowship or lawful convenience, having some primary interest and activity to which the sale of liquor or malt or brewed beverages shall be only secondary.” [47 P.S. § 1-102]. Additionally, section 102 requires that members be admitted only after submission of an application, investigation of the application and a vote on the application. The club must also charge and collect dues from its membership. [Id.]. The burden of proving that the club meets the requirements of section 102 is upon the club should its activities be questioned.

The requirements for membership in a club are governed by the club’s constitution and/or by-laws, to which each club must adhere. [40 Pa. Code § 5.81]. There is no specific process or procedure in the Liquor Code or the Board’s Regulations relative to the granting/continuing status of members within the club.

Therefore, if your practice of assigning status to your members, and curtailing privileges of those assigned to “not in good standing,” is incorporated into the

constitution and/or bylaws, then the club must adhere to those requirements as previously noted. [40 Pa. Code § 5.81]. Please be advised that the club has the right to amend its bylaws to address this or any other issue. Also, the club has the discretion to refuse service to anyone as long as it does not unlawfully discriminate.

Please do not hesitate to contact this office if you have any additional questions.

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Very truly yours,

FAITH S. DIEHL  
CHIEF COUNSEL

cc: Pennsylvania State Police, Bureau of Liquor Control Enforcement  
Jerry W. Waters, Director of Office of Regulatory Affairs  
Tisha Albert, Director, Bureau of Licensing  
Jeffrey Lawrence, Acting Assistant Director, Bureau of Licensing

LCB Advisory Opinion No. 13-541