



National Club Association Policy Agenda 2020

Legislative
and Regulatory
Issues Affecting Clubs

This Policy Agenda was established by NCA's Government Relations Committee and staff to ensure that NCA members and staff have broad policy positions by which to measure the Association's support, opposition or indifference to legislation and regulation. It also ensures NCA members know the positions taken by the Association are derived from a member-driven process that has been approved by the Government Relations Committee and board of directors. The board of directors approved the NCA Policy Agenda at its meeting on Nov. 4, 2019.

The formation of private clubs has been a well-regarded practice since the founding of our country and is a right protected by the Constitution of the United States in the First Amendment. This was further confirmed in a ruling by the Supreme Court in the case of *Roberts v. United States Jaycees*, in which the Court determined the First Amendment ensures a “corresponding right to associate with others in pursuit of a wide variety of political, social, economic, educational, religious and cultural ends.” Indeed, private clubs are comprised of individuals choosing to freely associate with each other in pursuit of many social, educational and cultural activities.

The National Club Association (NCA) was founded in 1961 and is the only national association representing the private club community before the U.S. House of Representatives, U.S. Senate and Executive Departments of the federal government. There are many issues affecting private clubs, their membership, professional staff, board of directors and operations. The challenges clubs face each day are not unique relative to many other small businesses, but some are specific to the community of private clubs.

This policy agenda seeks to cover the range of topics of interest to the National Club Association and serves as a guide or standard by which the association and its members evaluate legislation and regulations at the federal, state and local levels.

I TAXES

NCA believes tax policy should promote economic growth and job creation in all sectors of the economy. Further, tax rates should be as low as possible, broadly based, and nondiscriminatory. Taxation of a particular type of business expenditure, income or industry sector is not sound economic practice and is objectionable in principle.

Private clubs are often created as nonprofit entities under the federal tax code. Typically, they are established as 501(c)(7) organizations that are not subject to federal income taxes on member income, though they do remit taxes for nonmember revenue, investment income as well as state and local property taxes and some sales taxes. NCA supports continuation of this section of the tax code and seeks to strengthen it through less restriction on nonmember revenues and nontraditional income. NCA also seeks to allow the Internal Revenue Service flexibility to move away from an

“all-or-nothing” approach to enforcement of tax-exempt status by exploring other ways to ensure tax-exempt organizations are brought into compliance rather than immediately lose status.

NCA supports property tax systems at the state level that recognize the value clubs bring to the neighborhoods and communities they serve. Many clubs create needed “green” space that supports the local environment and wildlife as well as enhance the value of residences in the surrounding area. While states establish tax rates in various ways, NCA works with state and local organizations to ensure the impact of these proposals on the private club community are understood and taken into consideration.

The use of pre-tax income to offset the cost of health care, retirement savings, childcare and other expenses has historically been an effective way for employers of all sizes to deliver medical, health and retirement benefits to meet the needs of private sector workers. The tax treatment of these benefits should allow employers latitude in determining the types of coverage, conditions of eligibility and contribution limits necessary to recruit and retain valued workers. NCA supports these policies and seeks to strengthen them.

II HEALTH CARE

Like many small businesses, one of the biggest challenges for private clubs is the cost of providing health care coverage for employees. As organizations dedicated to active social interaction and active lifestyles, clubs want to ensure their employees have access to health coverage that meets their needs.

NCA supports increasing the availability of information related to the quality and cost of care in a user-friendly format for all parties involved in the health care spectrum—employers, government, insurers, consumers and providers. Increasing transparency in health care allows the private sector to innovate, fosters a more efficient health care delivery system, and drives fiscal responsibility while ensuring quality. Health care tax policy should continue to promote employer-sponsored health care coverage and the employer deduction for employer-sponsored coverage should be maintained and strengthened. The public-private partnership in place to deliver coverage to Americans should be preserved and strengthened and the federal government should not be the sole-provider of coverage.

Federal health policy should provide employers and employees flexibility in designing benefits such as Health Savings Accounts, Health Reimbursement Accounts, Flexible Spending Accounts to manage health-related expenses. Enhancements to these arrangements should be pursued to allow individuals to not only pay for medical care, but also make proactive investments in improving and maintaining their health.

III LABOR

NCA believes individuals employed in the private club community have the right to work in a safe environment and to be compensated fairly for the work performed. NCA believes there should be minimal interference by the federal government and states in determining wages. Employers should be allowed flexibility in establishing and adjusting wages to reflect the market and economic conditions in which they operate.

NCA recognizes the significant role independent contractors have in the delivery of goods and services in all sectors of the economy. NCA believes federal and state labor laws and regulations should provide a more stable and predictable standard by which to determine employment status and worker classification that also recognizes long-standing traditions and customs within industries and avoid policies that unnecessarily disrupt operations.

Labor relations should be conducted in a spirit of cooperation and mutual respect. Employees, management, labor unions and private clubs share a role in ensuring workplaces are productive and efficient. Both unions and employers should be held accountable for the actions of their agents operating under their direct and immediate control. Collective bargaining should be conducted in good faith and should provide clear procedures for the settlement of disputes over the terms of the agreement.

NCA believes all employees should be free to choose whether to join a union or discontinue membership without coercion or intimidation from any entity or individual. Employees should have the right to information from both union agents and employers with adequate time to make informed decisions about issues that impact their jobs and families. No individual or organization should be allowed to intimidate, harm, cajole or coerce an employee or management in the workplace, home or elsewhere with any matter relating to his or her employment.

The decision to select or reject a bargaining agent should be guaranteed through a secret ballot election conducted by an appropriate agency with sufficient capability to ensure a fair outcome. Bargaining units should be organized under the long-established “community of interest” basis in order to prevent inefficient and cumbersome subgroups of employees.

NCA supports the statutory 40-hour work week established by the Fair Labor Standards Act and supports proposals seeking to ensure alignment of federal policies.

NCA also supports policies that would allow flexibility within the 40-hour work week to vary the length of the workday and the number of days in the work week. Federal labor law should recognize and promote voluntary efforts of employers to respond to employee needs for workplace schedule flexibility and should not impose or mandate workplace flexibility programs, including paid leave programs. Employees often feel pressure in balancing job responsibilities with family obligations and employers should have the ability to implement innovative solutions for their employees to meet those challenges in a manner that reflects the economic feasibility unique to each employer.

IV ENVIRONMENT

Protecting our environment and natural resources for future generations is an important issue for the private club community. Private clubs have been establishing best practices for sustainability through the use of recycled materials, reduction of water use and more eco-friendly chemical usage in their facilities. Clubs with golf courses and/or marinas have worked with organizations for many years to ensure the adoption of practices that assist them in employing the best methods to effectively manage water, land and wildlife. NCA supports federal policies that recognize the efforts of clubs that are working to improve the environment and the adoption of laws and regulations that are based on science and empirical data, clearly understandable and not overly burdensome to achieving the desired outcome. NCA also supports efforts at the federal level that create a collaborative approach to enforcement to ensure compliance.

V IMMIGRATION

NCA believes reform of our nation’s immigration laws is essential to our nation’s competitiveness. Reform should include fundamental changes in determining the number of employment-based and seasonal worker visas, providing a system which emphasizes market demands. NCA supports reforms that would:

- Improve the employment-based green card system to keep talent within the United States;
- Streamline and simplify the procedures for the temporary, seasonal or non-immigrant visa;
- Allow for temporary and seasonal workers and immigrants to meet the needs of employers without displacing American workers; and
- Enhance the flexibility in responding to demands for the skills necessary to grow America’s economy.

Employers need a reliable, accurate, and efficient employment eligibility verification system which provides fair enforcement of the laws. The current employment verification system creates undue liability for employers, brings increased administrative burdens, and fails to deter identity fraud. An improved verification process should include the following principles:

- A shared responsibility among employers, employees and the federal government;
- Fair enforcement program for those who use the system in good faith with strong safe harbor provisions for employers;
- A system that is accurate, reliable and timely;
- A consistent system that provides a coherent hiring process across all states;
- A verification process that is simple to use and easy to understand; and
- The use of up-to-date technology to make the process as effective, efficient, responsive and safe as possible.

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