NCA’s Mission

“To defend, protect and advance the interests and well-being of private social and recreational clubs”

As the trade association for the private club industry, NCA is based in Washington, D.C. to do two things:
- Be involved in the political world, and
- Shape the policies that come from it

Simply put, we make sure the private club industry’s voice is heard
- On Capitol Hill,
- In the agencies,
- In the statehouses, and
- In the courthouses
Today’s Roadmap

- Balance of Power
- Legislative Issues
- Regulatory Issues
- State Issues
- Midterm Elections
Balance of Power
House of Representatives

- **Balance of power**
  - 235 Republicans – 193 Democrats
    - Seven vacancies, but seats should stay in the same party control – maybe…
      - Rep. Louise Slaughter (D-N.Y.) – 11/6
      - Rep. Patrick Meehan (R-Pa.) – 11/6
      - Rep. Charlie Dent (R-Pa.) – 11/6
      - Rep. Jim Bridenstine (R-Okla.) 11/6
      - Rep. Ron DeSantis (R-Fla.) 11/6
      - Rep. Evan Jenkins (R-W.Va.) 11/6
    - Republicans can only lose 22 of their members and still pass legislation
Balance of power
- 51 Republicans – 49 Democrats
  - Without 60 votes, Rs still susceptible to a D filibuster of any controversial bill
- In 2018, 26 Ds will be up for re-election and only nine Rs
  - Ten Ds are running for re-election in states Trump won
    - Five of those states he won by more than 19%
    - R margin could increase
Legislative Issues
Healthcare Fixes

- Big win for clubs on Obamacare taxes
  - Cadillac tax and Health Insurance tax delayed in 2018 and 2019, respectively
  - House repealed the Medical Device Tax and further delayed the HIT through 2020

- Other targeted, bipartisan fixes we’re pursuing
  - STARS Act to resolve the “seasonal worker” and “seasonal employee” definition issue
  - Reporting requirement overhaul
  - Redefining “full-time” back to 40 hours per week – Save American Workers Act passed House

- It is unclear just how much of an appetite Congress has to touch healthcare again
The H-2B Visa Program

The program allows foreign workers to come for seasonal work when Americans aren’t available

- 66,000 cap
- We worked to increased that number in FY2018, and it succeeded
- Cap expanded by 15,000 this year – those 15,000 were gone in six days (lottery instituted)

Clubs have had a hard time getting these workers because of the cap limits

- NCA and our allies are fighting to get a permanent increase to the cap on the books

Rep. Andy Harris (R-Md.) has brought back the Returning Worker Exemption

- Included in DHS FY19 spending bill
- Need to work through border wall funding and then the H-2B fix will pass
  - Finally, a permanent fix to the issue
Regulatory Issues
Sec. of Labor Alex Acosta has formally begun crafting a new rule – Jan. 2019
- We have submitted comments suggesting what a new rule should look like
- The minimum weekly salary threshold will likely be $634/week ($33,000/year)

There will be no change to the “duties test” for the White Collar Exemptions
- Clubs must be certain to correctly classify an employee as exempt from overtime pay
  - He must be paid a salary, earn at least the min. weekly salary and fit into one of the White Collar Exemptions
- To fit into one of the White Collar Exemptions, he must satisfy the duties test of that exemption:
  - Executive – manage a dept., supervise two FTers, and have a say in hire/fire
  - Administrative – perform office work (no manual labor) related to the management of club and exercise discretion on matters of significance
  - Professional – perform work that requires advanced knowledge earned from specialized academic training; or artistic or creative endeavors; or teaching in an academic institution (not golf or tennis pros)
Employee/IC Classification

- Best Practices to help ensure they are ICs and to avoid liability under the FLSA
  - Clubs should not:
    - Have ICs attend staff meetings, ask for time off, do separate work around the club or wear the club’s logo
    - Set ICs’ prices, schedule them or pair them with players
  - Three options for ICs
    - Have players hire their ICs themselves – club is completely out of it
      - Educate players on their responsibilities (1099s, etc.) – CaddieNow App
    - Engage third party entities to do the job – valet company, fitness company, massage company, CaddieMaster
    - Reclassify ICs as employees – could provide best protection
      - Club has complete control over their training, work, discipline and pay – ambassadors of the club
      - Players expect club to provide the service and will pay for it – caddie fee vs. cart fee, fitness class fee
      - They can still be tipped employees – so they can still receive cash

- DOL now looking at creating its own rule
State Issues
Maryland Property Tax Bill

- Bill to change the way club property is assessed in the Free State
  - St. Delegate David Moon (D)
  - Md. allows clubs to enter an agreement that limits assessed value in return for prohibiting the club from selling land for development
    - Moon’s bill increased the assessed value on many clubs while lowering it for others
      - He looked to drive a wedge between more affluent clubs and the rest
  - This could have resulted in a five to ten fold increase in assessed value for our clubs

- We created the Maryland Coalition of Concerned Clubs to stop the bill
  - Moon first offered the bill in a single county – we killed it by a vote of 7-17
  - Full House of Delegates never voted on it
  - Likely to return in 2019
Tight Senate margin means Upper Chamber could be in play
- Ten Ds are running in states Trump won
  - He won by the largest margin in three of those states (W.Va., N.D., and Mont.), yet polls have the races very close
  - Three R seats could be in jeopardy, too – Ariz., Nev., and Tenn. with Texas as a kicker

The midterm elections could be challenging for Republicans in the House
- Party holding the WH historically loses seats
- Over 40 Rs not running for re-election – most since 28 Ds in ‘94
- Polls indicate an enthusiasm gap between R and D voters
  - Significant uptick in D turnout in primaries
- 12 R seats “likely” to flip based on retirements or other factors
- 28 of 30 “toss-up” seats are held by Rs
House Races to Watch

- **Illinois 6th District**
  - Rep. Peter Roskam (R) – R+2 District that Clinton won by 7% & Roskam won by 19%
  - This race will determine who has 218 seats in the House

- **New Jersey 7th District**
  - Rep. Leonard Lance (R) – R+3 District that Clinton won by 1% & Lance won by 11%
  - SALT deduction issue & “Summer White House” major issues

- **Michigan 8th District**
  - Rep. Mike Bishop (R) – R+4 District that Trump won by 2% & Bishop won by 17%
  - Detroit suburbs District that will show if Rs can hold the line with female voters in the burbs
  - His female opponent was a CIA analyst with 3 tours in Iraq – former Bush & Obama defense official

- **Kentucky 6th District** – if this seat flips, it will be a long night
  - Rep. Andy Barr (R) – R+9 District that Trump won by 15% & Barr won by 22%
  - Heavily suburban District w/ a female Marine fighter pilot who logged 89 combat missions in Afghanistan – on the tarmac on 9/11
The National Club Association
Your Voice In Washington, D.C.