

**NORTH LAS VEGAS CITY COUNCIL
AGENDA ITEM**

Number: **38**

SUBJECT: Ordinance No. 2431 of the City of North Las Vegas repealing Chapter 20 - Gaming Control of Title 5 of the North Las Vegas Municipal Code regulating gaming establishments and replacing the same with new regulations governing gaming establishments, including amended or revised regulations governing non-operational status, license fees, investigation requirements and providing for other matters properly related thereto

REQUESTED BY: Finance Department

RECOMMENDATION OR RECOMMENDED MOTION: It is recommended that on March 5, 2008 City Council introduce Ordinance No. 2431 and approve Ordinance No. 2431 on March 19, 2008.

FISCAL IMPACT:
Amount: \$367,000
Explanation:
Annual increase based on number and type of current licenses

ACCOUNT NUMBER:
100-306002

STAFF COMMENTS AND BACKGROUND INFORMATION: In the Fall of 2006 staff from the Business License Division, City Attorney's Office and the Planning & Zoning Department began a review of the Liquor Code and Mixed Use Code. During this review it was determined that in addition to a complete rewrite of Chapter 5.26 - Liquor Control, revisions to Chapter 5.20 - Gaming Control were also necessary to maintain consistency between the two chapters. Neither chapter has been significantly updated since 1998.

Chapter 5.20 currently contains outdated terminology and a complex fee structure. It also contains an impractical investigation structure wherein investigations are currently required for all individuals with 5% or more ownership interest or voting control, including for publicly traded entities and for individuals previously investigated for approval by the State Gaming Commission. Further, the allowable time for non-operational status is inconsistent with state regulations.

STAFF COMMENTS AND BACKGROUND INFORMATION CONTINUED ON FOLLOWING PAGE

LIST CITY COUNCIL GOAL(S): Economic Development

PREPARED BY:



Phil Stoeckinger
Finance Director

**RESPECTFULLY
SUBMITTED:**



Gregory E. Rose
City Manager

**CITY COUNCIL
MEETING DATE:**

March 5, 2008
March 19, 2008
May 7, 2008

SUBJECT: Ordinance No. 2431 of the City of North Las Vegas repealing Chapter 20 - Gaming Control of Title 5 of the North Las Vegas Municipal Code regulating gaming establishments and replacing the same with new regulations governing gaming establishments, including amended or revised regulations governing non-operational status, license fees, investigation requirements and providing for other matters properly related thereto

STAFF COMMENTS AND BACKGROUND INFORMATION CONTINUED:

Staff is proposing the removal of outdated terminology and restructuring of the gaming fees. The ordinance would allow the waiver of the investigation requirement for persons approved for licensing by the State of Nevada, Gaming Commission and would modify the allowable time for non-operational status from a period of one year to up to two years in order to conform to the time frame allowed by state regulation. A business impact study was conducted related to the proposed ordinance pursuant to NRS 237.080 and a business impact statement has been prepared, a copy of which is attached for reference. Staff is presenting Ordinance No. 2431 and recommends approval.

ORDINANCE NO. 2431

**AN ORDINANCE OF THE CITY OF NORTH LAS VEGAS:
REPEALING CHAPTER 20 OF TITLE 5 OF THE NORTH
LAS VEGAS MUNICIPAL CODE REGULATING GAMING
ESTABLISHMENTS AND REPLACING THE SAME WITH
NEW REGULATIONS GOVERNING GAMING
ESTABLISHMENTS, INCLUDING AMENDED OR
REVISED REGULATIONS GOVERNING NON-
OPERATIONAL STATUS, LICENSE FEES, AND
INVESTIGATION REQUIREMENTS AND OTHER
MATTERS PROPERLY RELATED THERETO.**

WHEREAS, the City of North Las Vegas is a rapidly growing community with a population of over 200,000 residents;

WHEREAS, NRS 463.0129 and NRS 463.190 grants the City the authority and power to regulate gaming and impose and collect a license tax on the same;

WHEREAS, the City had not substantially updated its current gaming regulations since approximately 1998 or before; and

WHEREAS, the City has engaged in a comprehensive review of its gaming regulations and has determined that such regulations are in need of significant revision, restructuring and modernization in order to meet the needs of the City, its residents and the business community;

**ACCORDINGLY, THE CITY COUNCIL OF THE CITY OF NORTH LAS VEGAS,
NEVADA DOES HEREBY ORDAIN:**

SECTION 1: The Municipal Code of the City of North Las Vegas, Nevada is hereby amended by eliminating Chapter 20 of Title 5 in its entirety and replacing it with the following:

Chapter 5.20

GAMING - REGULATIONS AND LICENSES

5.20.010 Declaration of policy.

- A. It is found and declared that the public health, safety, morals and welfare of the inhabitants of the city require the regulation and control of all persons engaged in, associated with, in control of, or having the right to any portion of the profits of the business of gaming. All such persons, as hereafter defined in this chapter, shall be licensed and controlled so as to protect the public health, safety, morals, good order and general welfare of the inhabitants of the city and to assist the

gaming industry to foster its stability and growth. It is further found and declared that the right to obtain such license is a privilege and that the operation of such gaming facility, when authorized by such license, is a privileged business subject to regulations, and that the license may be suspended, limited, or revoked for cause. The burden of proving qualification to receive or retain any license or finding of suitability is on the applicant.

- B. The council believes that the gaming industry is vitally important to the economy of the city and the general inhabitants thereof and that the continued growth and success of the gaming industry is dependent upon public confidence and trust that licensed gaming is conducted honestly and competitively and that the gaming industry is free from criminal and corruptive elements.
- C. These regulations define division procedure and regulate gaming operations within the jurisdiction of the council, but do not in any degree limit the general power of the council to grant or deny applications for licenses and to impose conditions, limitations and restrictions upon a license for cause after hearing, or to immediately suspend or limit a license in an emergency. These regulations are to be liberally interpreted so as to grant the council final discretion in all licensing matters.

5.20.020 Definitions.

For the purposes of this chapter, the following terms, phrases and words shall have the meanings given herein, unless otherwise expressly stated. When not inconsistent with the context, words used in the present tense include the future tense; words in the plural number include the singular number, and words in the singular number include the plural number; and the masculine gender includes the feminine gender. The words "shall" and "will" are mandatory; the word "may" is permissive. Unless otherwise expressly stated by this chapter or Section 5.02.001, words not defined shall be given their common and ordinary meaning.

"Footprint" means the exterior dimensions of an applicant's use as approved by the city pursuant to that applicant's approved site plan and special use permit.

"Game" or "gambling game" shall have the same meaning as NRS chapter 463.0152, or as may be amended or renumbered.

"Gaming" or "gambling" means to deal, operate, carry on, conduct, maintain, or expose for play any game as defined in NRS 463.0152, or as may be amended or renumbered; or to operate an inter-casino linked system.

"Gaming Device" shall have the same meaning contained in NRS 463.0155, or as may be amended or renumbered.

"Information Service" shall have the same meaning as contained in NRS 463.01642, or as may be amended or renumbered.

"Key employee" means any executive, manager, employee, agent, officer, or director of a gaming licensee having the power to exercise significant influence or control over decisions concerning any part of the operation of the business or a manager charged with the day-to-day operations of the business.

"Live Game" means all games or gambling games conducted by a dealer, save, and except for, slot machines.

"Non-Restricted Gaming" shall have the same meaning as contained in NRS 463.0177, or as may be amended or renumbered.

"Race Book" shall have the same meaning as contained in NRS 463.01855, or as may be amended or renumbered.

"Resort Hotel" shall have the same meaning as contained in NRS 463.01865, or as may be amended or renumbered.

"Restricted Gaming" shall have the same meaning as contained in NRS 463.0189, or as may be amended or renumbered.

"Slot Machine" shall have the same meaning as contained in NRS 463.0191, or as may be amended or renumbered.

"Slot Operator" or "Slot Route Operator" shall have the same meaning as contained in NRS 463.018, or as may be amended or renumbered.

"Sports Pool" shall have the same meaning as contained in NRS 463.0193, or as may be amended or renumbered.

5.20.030 License—Required.

It is unlawful for any person to deal, operate, carry on, conduct, maintain, or expose for play within the city any gaming, slot machine or gaming device, race book or sports pool, without first having procured a license as herein provided.

5.20.040 License—Responsibility of owner.

It is unlawful for any person knowingly to permit any gaming to be conducted in any house, building, or other premises owned by him, in whole or in part, except by a person who is licensed hereunder, or his employee.

5.20.050 License—Associates with financial interest.

- A. Any person who furnishes services or property to a gaming licensee under any arrangement pursuant to which the person receives payments based on earnings, profits, or receipts from gaming may be required by the director to apply for a gaming license or apply for an approval of suitability to be associated with the gaming licensee.
- B. If such person does not apply within thirty (30) days of the director's request to do so, the director may require the licensee to terminate the arrangement.
- C. Failure to so terminate the arrangement is grounds for disciplinary action to be taken against the licensee.

5.20.060 License—Nonprofit exemption.

The director may in his discretion approve any nonprofit organization without the necessity of having a gaming license as provided in Section 5.20.030, to conduct any games or sports pool at a location deemed suitable and appropriate by the director, provided such nonprofit organization has first obtained the approval of the State Gaming Control Board as required by NRS 463.409, or as may be amended or renumbered.

5.20.070 License—Holiday or special event permit.

- A. Any licensee who has acquired a "holiday or special event" permit from the state to add additional games to the licensed premises during an anticipated temporary period of increased tourist activity may apply to the director for a holiday or special event permit from the city. The application must be made on a form acceptable to the director and filed at least ten days prior to the date the games are to be added.
- B. If the permit is approved by the director, the number and types of games approved and the time period for which they are allowed shall be specified on the permit. The number of games and the time period shall not exceed that which has been approved by the state and in no case shall the time period exceed seven days. The licensee shall not exceed the number or deviate from the types of games allowed under the permit nor allow the games to remain on the premises beyond the time permitted.
- C. The licensee must pay in advance a permit fee equal to one-sixth of the regular semi-annual license fee for each game permitted for a holiday or special event. The licensee must also pay the regular semi-annual convention authority tax imposed by Chapter 5.22.

5.20.080 License—Limitation.

The city council, in the exercise of its discretion, may limit the number of licenses provided for in this chapter.

5.20.090 License—Game restrictions.

Each license issued shall be limited to the number and types of games approved by the city council.

5.20.095 Nonprofit Club—Restrictions.

Gaming is not permitted within a Nonprofit Club.

- A. Nonprofit Clubs licensed for gaming prior to the adoption of this ordinance shall be deemed nonconforming and shall be subject to license renewal as long as the applicant remains suitable. Such nonconforming licenses may not be expanded

or enlarged beyond the number of gaming devices licensed and in operation at the time of adoption of this ordinance.

- B. If the premises are not licensed for gaming for more than sixty (60) days, the premises will no longer be deemed conforming and gaming will no longer be permitted within the Nonprofit Club.

5.20.100 License—Change of location procedure.

Upon a change of location of a gaming license already issued by the city, the licensee must submit an application for the change and pay an administrative fee of fifty dollars (\$50.00). The new location shall not be in conflict with the provisions of any existing city ordinances, state statutes, or Gaming Commission rules or regulations, which control, specify, or govern the location of gaming establishments. An application for a change of location shall be processed the same as an application for a new license.

5.20.110 Licenses not transferable.

Licenses and permits may not be transferred or assigned.

5.20.120 Background investigation waived when—Burden of proof.

- A. Except as provided in Section 5.20.130, an applicant, its principals or key employee(s) for a gaming license will not be required to submit to a background investigation by the city of North Las Vegas. The city council may condition the issuance of a license or its determination of suitability of an applicant, principal or key employee upon the applicant, principal or key employee obtaining approval from the Nevada Gaming Commission.
- B. The burden of proving receipt of the required state of Nevada gaming license or finding of suitability by the Nevada Gaming Commission is on the applicant, principal or key employee.

5.20.130 Background investigation required when.

The city council may, at any time before a city gaming license is approved, determine that the public health, safety, morals or welfare of the city require that a background investigation be conducted of the applicant, principals, or key employee(s) thereof notwithstanding the fact that the applicant, principal, or key employee(s) is being, or has been investigated by the Nevada Gaming Control Board or approved by the Nevada Gaming Commission.

5.20.140 Investigation fee – when applicable.

Any person subject to investigation under this chapter is required to deposit with the division an investigation fee in the amount of \$200.00. Notwithstanding, each applicant

is subject to only one investigation fee per application regardless of the number and type of privileged licenses for which the applicant is applying.

5.20.150 No refund on investigation fee.

If an applicant is denied a license after investigation, no part of the investigation fees shall be returned.

5.20.160 License denial authority.

In conformity with the policy of this chapter, the council may deny a license upon its discretion when:

- A. In the judgment of the council, the granting of such license may tend to create or constitute a public nuisance; or
- B. By the granting of such license, a disorderly house or place may be maintained; or
- C. The granting of such license may seriously and adversely affect the valuation of neighboring, adjoining and contiguous properties; or
- D. The council is satisfied that the applicant is not a fit and proper person to operate the business contemplated by his application; or
- E. In the judgment of council there are ample and sufficient licensees and establishments in the area or place for which the license is to be used to properly serve such area or place.

5.20.170 Application of other ordinances.

The terms, conditions and policies of all other ordinances of the city are intended to be applied in conjunction with the enforcement of this chapter, which is designed for the protection of the public health, safety, morals, and welfare. The fact that such ordinances are not specifically referred to in this chapter shall in no manner preclude their application to gaming licensees or permittees.

5.20.180 License classification—Requirements and restrictions.

- A. An applicant may apply for any one or more gaming licenses consistent with the requirements and conditions of this chapter. The applicant shall provide on the initial application a complete description of the games and/or slot machines or gaming devices that the applicant desires to operate, and the location of the establishment wherein the gaming will take place. The license authorized by the council and issued by the division shall entitle the licensee and employees thereof to carry on, conduct, and operate only the specific type of games and

number of slot machines or gaming devices for which the license is issued, and at the location stated.

- B. The division shall not issue any licenses to a business without proof of the proper state of Nevada Gaming Commission license or licenses.

5.20.190 Private games excluded.

Nothing in this chapter shall be construed to prohibit social games played in private homes or residences.

5.20.200 Non-restricted licensee—Commencement—Non-operation of business—Automatic revocation.

The licensee must commence operation of the business within thirty (30) days after the license has been approved by the city council and may not discontinue operation of the business for more than a three-month period without council approval. The council may approve non-operational status of the business beyond the initial three-month period in time increments not to exceed one year but in no event shall the council approve any non-operational status beyond a maximum of two-years. A license shall be automatically revoked at the expiration of the time periods provided by this section unless council approval has been granted pursuant to this section. All semi-annual license fees must be paid notwithstanding the licensee's non-operational status.

5.20.210 License fees—In addition to state and county fees.

The licenses and associated fees provided for in this chapter are in addition to those collected by the state of Nevada or by Clark County, Nevada and are assessed on a semiannual basis and must be paid in advance by all persons receiving such licenses, respectively as follows:

Sports Pool (not including race books)	\$200.00
Bingo	150.00
plus, for each bingo chair	3.00
Race Book	600.00
Information Service	300.00
Keno	500.00
All other Live Games (fee per game)	250.00
Each "Slot Machine" or "Gaming Device"	75.00
Each "Slot Operator" or "Slot Route Operator"	300.00

5.20.220 License fees—Due date—Pro-ration—Non-refundable.

- A. Each semi-annual fee is due in advance on June 30th and December 31st in each year.
- B. Initial license fees paid by applicants who receive license approval on a date other than such due dates shall be prorated on a quarterly basis.
- C. Other than fees paid for applications that are denied by the city council, license fees are not refundable.

5.20.230 License fees—Delinquency—Automatic revocation.

Any semi-annual fee which is not received by the division on or before the due date shall be assessed a late-payment penalty in an amount equal to ten (10) percent of the amount of such semi-annual fee.

If the semi-annual fee and penalty are not received by the division within fifteen (15) days after the due date, a late-payment penalty of thirty-five (35) percent of the semi-annual fee shall be assessed.

If the semi-annual fee and all penalties are not received by the division within sixty (60) days after the due date, the license shall be deemed automatically revoked.

5.20.240 License reinstatement.

- A. A license which has been automatically revoked because a licensee has not complied with the semi-annual license fee provisions of this section or because of non-operational status, may be reinstated by the director if, not later than sixty (60) days following the date the license was automatically revoked, the licensee pays to the division:
 - 1. The delinquent and unpaid semi-annual license fee;
 - 2. All late payment penalties that have accrued pursuant to the provisions of Section 5.20.230; and
 - 3. A \$500.00 license reinstatement assessment.
- B. Upon payment of the delinquent semi-annual license fee, all late payment penalties and the reinstatement assessment, the director shall reinstate the revoked license. Upon reinstatement of the license, the licensee shall be allowed to reengage in gaming activities at the location to which the license applies.

5.20.250 Non-restricted gaming license issuance—Restricted to Resort Hotels.

The city council shall not approve a non-restricted gaming license unless an applicant's proposed establishment includes a hotel in accordance with NRS 463.01865.

5.20.260 Nonconforming non-restricted gaming establishments.

- A. Any establishment licensed for non-restricted gaming by the state of Nevada and the city before April 4, 1984 is nonconforming but may continue to so operate after the effective date of the ordinance codified in this section provided that:
 - 1. Such establishment is validly licensed by all appropriate licensing authorities on the effective date of the ordinance codified in this section;
 - 2. Remains continuously so licensed and operational thereafter, subject to Section 5.20.200 of this code in the event of any non-operation; and
 - 3. An applicant is found suitable or a licensee remains suitable.
- B. Any establishment originally licensed for non-restricted gaming by the state of Nevada before December 31, 1999, based upon an application for such non-restricted gaming license filed with the state of Nevada before July 1, 1992 is nonconforming but may continue to so operate after the effective date of the ordinance codified in this section provided that:
 - 1. Such establishment includes a completed hotel of at least one hundred rooms (the former city requirement) and amenities prior to the effective date of the ordinance codified in this section;
 - 2. Such establishment is validly licensed by all appropriate licensing authorities on the effective date of the ordinance codified in this section;
 - 3. Remains continuously so licensed and operational thereafter, subject to Section 5.20.200 of this code in the event of any non-operation; and
 - 4. An applicant is found suitable or a licensee remains suitable.
- C. Any establishment originally licensed for non-restricted gaming by the state of Nevada before December 31, 1999, based upon an application for such non-restricted gaming license filed with the state of Nevada before July 1, 1992, but did not complete construction of its resort hotel is nonconforming and may continue to so operate provided that:

1. Such establishment does not expand beyond its footprint as delineated by the most current approved site plan on file with the public works department;
 2. Such establishment is validly licensed by all appropriate licensing authorities on the effective date of this chapter;
 3. Remains continuously so licensed and operational thereafter;
 4. Does not relocate; and
 5. The applicant remains suitable.
- D. Notwithstanding the general limitation on expansion of nonconforming uses established by Title 17 of this code, those nonconforming non-restricted gaming establishments delineated above may be expanded or altered upon review and approval of an amended special use permit pursuant to Title 17 of this code.
- E. Any nonconforming establishment that does not comply with the above restrictions shall lose its nonconforming status and be subject to the enforcement proceedings of Chapter 17.32 of this code.
- F. Any establishment not licensed for gaming for more than eighteen (18) consecutive months shall no longer be deemed nonconforming and must thereafter comply with Section 5.20.250 of this code.

5.20.270 Location—Slot machines only.

Slot machines may be permitted upon premises where there is a licensed business, the principal activity of which is other than gaming if the gaming license is limited to not more than fifteen (15) slot machines.

5.20.280 Location—Restrictions not to require issuance.

Nothing contained in the previous sections shall be construed to require the issuance of a gaming license to any applicant because of location, structure involved, or nature of any allied business.

5.20.290 Location—Change to provisions.

No provision found in Sections 5.20.250 through 5.20.280 may be amended, modified, or deleted by the city council without notice and public hearing as hereinafter provided:

- A. **Public Hearing.** The city council shall hold a public hearing upon each proposed amendment, modification, or deletion of Sections 5.20.250

through 5.20.280. The public hearing shall be conducted not less than twenty-one (21) days before the second reading of the ordinance.

- B. The city clerk shall give notice of the date, time, and place of the public hearing by mailing a notice, not less than fifteen (15) days prior to the date of the hearing, to each non-restricted licensee in the city as shown in the license records of the division.

5.20.300 Conditions applying to certain types of gaming.

Issuance of a Slot Route Operator license does not authorize gambling at a particular location. Each location a Slot Route Operator serves must be licensed for gaming as provided herein.

5.20.310 Grounds for disciplinary action.

The council may deem that any activity on the part of a licensee, his agents, or employees, which is detrimental to the public health, safety, morals, good order, and general welfare of the people of the city, or which would reflect discredit upon the city or the gaming industry, or which violates any provision of the Nevada Gaming Control Act (NRS 463, 464, 465, 466) or any regulation of either the Nevada Gaming Commission or the council is grounds for disciplinary action in accordance with Chapter 5.03. Without limiting the generality of the foregoing, each of the following are declared to be subject to disciplinary action:

- A. Each licensee who violates any provision of Chapter 5.20 or 5.26, or other provisions of this title; or
- B. Each licensee who knowingly fails to report or conceals from the proper authorities any information which it is his duty to supply under any statute or regulation by the State Gaming Commission or by any regulation of the council; or
- C. Each licensee who for conduct subsequent to the issuance of a license, becomes ineligible to hold a gaming license as set out in the statutes and regulations of the State Gaming Commission or by any regulation of the council; or
- D. Each licensee who made a misrepresentation of a material fact in his application to obtain a gaming license; or
- E. Each licensee who fails to correct any objectionable condition which constitutes a nuisance, or who fails to correct a hazardous condition which violates the building, planning, public works, fire, or health department codes within ten days of the receipt of notice to make such correction from the proper authorities; provided, however, that the notice to correct such condition must be given in

writing and must clearly state that a licensee may be disciplined if he fails to comply with the notice; or

- F. Each licensee who either personally, or by his employees, knowingly conducts, carries on, operates, deals, or allows to be conducted, carried on, operated, or dealt, any cheating or thieving game or device, or deals, conducts, carries on, operates, or exposes for play any game, or games, played with cards, dice, or any mechanical device, or combination of the same, which have in any manner been marked or tampered with to deceive the public or equipped with electrical or any other device whatever, which renders the game more liable to win or lose; or
- G. Each licensee who knowingly allows gambling by a person under the age of 21; or
- H. Each licensee who knowingly allows any male or female person to appear in the nude in any public area on its premises. For the purpose of this subsection the following words are defined as follows:
 - 1. "Male or female person" means a licensee, his agents and servants, employees, or his independent contractors and their agents or employees,
 - 2. "Nude" means the showing of the human male or female genitals or pubic area while not fully covered by an opaque material; or
- I. Each licensee who, subsequent to licensing, is convicted of a felony or a crime involving moral turpitude which crime is considered by the council to be a threat or hazard to the proper control of gaming, or to the public health, prosperity, safety, morals and welfare of the inhabitants of the city; or
- J. Each licensee who does not take immediate steps to discharge from involvement with his gaming license any key employee who is convicted of a felony or crime of moral turpitude, or involving a violation of the gaming laws or regulations of this or any other state.

5.20.320 Licenses to be posted—Penalty for failure to comply.

- A. All gaming licenses must be posted in a conspicuous place where gambling games, devices, and slot machines are installed.
- B. Failure to comply with the license posting provisions of this section shall constitute grounds for revocation of such licenses not so posted.
- C. Authorized state and city officials shall report in writing to the division where such gambling or gaming devices are located and are found to be operating without a license.

SECTION 2: NON-INFRINGEMENT OF RIGHTS. The City Council of the City of North Las Vegas has been informed by the City Attorney as to the constitutionality of this ordinance and based upon such information we are adopting this ordinance in good faith with a reasonable belief that the actions taken by the City of North Las Vegas are not in violation of any rights, privileges, or immunities secured by the laws providing for equal rights of citizens or persons.

SECTION 3: SEVERABILITY. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall in no way affect the validity and enforceability of the remaining provisions of this Ordinance.

SECTION 4: EFFECTIVE DATE. This Ordinance shall become effective after its passage by the City Council of the City of North Las Vegas and, after such passage by the City Council, publication once by title in a newspaper qualified pursuant to the provisions of Chapter 238 of NRS, as amended from time to time.

SECTION 5: PUBLICATION. The City Clerk shall cause this Ordinance, immediately following its adoption, to be published once by title, together with the names of the Councilmen voting for or against passage, in a newspaper qualified pursuant to the provisions of Chapter 238 of NRS, as amended from time to time.

PASSED AND ADOPTED THIS ____ day of _____, 200__.

AYES:

NAYS:

ABSENT:

APPROVED:

MICHAEL L. MONTANDON, MAYOR

ATTEST:

KAREN STORMS, CMC, CITY CLERK

**BUSINESS IMPACT STATEMENT REGARDING ORDINANCE 2428, 2429
AND 2431 REGULATING GAMING AND LIQUOR LICENSE
ESTABLISHMENTS.**

The following business impact statement was prepared pursuant to NRS 237.090 to address the impact of proposed Ordinance No. 2428, Ordinance No. 2429 and Ordinance No. 2431 amending Chapter 20 of Title 5 of the North Las Vegas Municipal Code regulating the licensing of gaming establishments and repealing in its entirety Chapter 26 of Title 5 of the North Las Vegas Municipal code and adding a new chapter, designated Chapter 26, regulating the licensing of liquor establishments.

FINDINGS

- A. On August 21, 2007, the City of North Las Vegas (the "City") published a Notice of Potential Business Impact ("Notice") in the Review Journal in which effected business owners and trade associations were invited to provide written comments on Ordinance No. 2428, Ordinance No. 2429 and Ordinance No. 2431 (the "Proposed Ordinances") on or before September 20, 2007. In addition, on the same date, the City mailed Notices to the businesses currently holding gaming and liquor licenses in the City and to the effected trade associations inviting them to provide written comments on the Proposed Ordinances on or before September 20, 2007. The City received a written response from one party.
- B. The City finds that the adoption of the Proposed Ordinances will likely impose a direct impact upon owners and operators of gaming and liquor establishments. In addition, patrons of gaming and liquor establishments and the general public may be indirectly affected by the adoption of the Proposed Ordinances.
- C. The City Council hereby adopts this Business Impact Statement pursuant to the requirements of NRS 237.030-237.110. This Business Impact Statement was made available to all interested persons via the City's internet homepage at www.cityofnorthlasvegas.com and all information required pursuant to NRS 237.030-237.110 is provided herein below:
 - 1. **A description of the manner in which comment was solicited from effected businesses:**

A Notice was sent to all gaming and liquor licensees currently licensed to do business in the City and to effected trade associations which included the Nevada Restaurant Association, Nevada Tavern Owner's Association and North Las Vegas Chamber of Commerce. In addition, the Notice was published in the Review Journal on August 21,

2007. The Notice indicated changes in the proposed fee structure and the time frame in which to submit comments. Finally, the Notice and a copy of the Proposed Ordinances were available in the City Clerk's Office and were posted on the City's internet homepage.

2. A summary of the responses from the effected businesses: How an interested person can obtain a summary of the responses:

Written comments were received from one party. The comments were structured to obtain clarification of the code and identified a typographical error. The comments did not request any consideration of the proposed fee structure. The typographical error was corrected and the remaining comments were addressed to the satisfaction of the party without additional changes to the Proposed Ordinances. A copy of the Notice and written comments are on file with the City Clerk's Office and are available upon request.

3. The estimated economic effect of the Proposed Ordinance on local businesses including, adverse, beneficial, direct and indirect effects:

Adverse effects: Proposed liquor license fees range from decreased fees to a 100% increase for one licensee. Proposed gaming license fees range from decreased fees to a 200% increase for nine licensees. The estimated impact on each business varies as each business is assessed a fee based on the specific license classification.

Beneficial effects: The fees for liquor have not been increased since 1995 and the fees for gaming have not been increased since 1998. It is estimated that increased revenues from liquor and gaming fees will generate an additional \$400,000 per year based on the number and type of current licenses. Further, the proposed ordinance creates a new license classification structure which eliminates seating requirements, seating ratios, and the limit on the number of General On-Sale and General On-Off-Sale licenses which will encourage business diversity and economic development.

Direct effects: The Proposed Ordinances will directly enhance the General Fund revenues and enable the City to meet increased service demands. Further it will encourage business diversity and economic development.

Indirect effects: In addition to the effects described above, the Proposed Ordinances will undoubtedly have other indirect effects on local businesses. At this time however, those effects cannot be quantified.

4. A description of the methods utilized by the City to reduce the economic impact on effected businesses and a statement as to whether the City utilized any method to reduce the economic impact on effected businesses:

The City did not utilize any method to reduce the economic impact of the Proposed Ordinances on effected businesses.

5. The estimated cost to the City to enforce the Proposed Ordinance:

There will be no additional enforcement costs to the City as a result of the Proposed Ordinances.

6. If the Proposed Ordinance proposes a new fee or increases an existing fee, the annual amount of money to be collect by the City:

The proposed ordinances provide for increases in existing fees. It is estimated that increased revenues from liquor and gaming fees will generate an additional \$400,000 per year based on the number and type of current licenses.

7. An explanation of provisions of the Proposed Ordinance that are more stringent than federal, state or local standards.

Not applicable.