



# STAFF REPORT

**Report To:** Board of Supervisors **Meeting Date:** June 6, 2019

**Staff Contact:** Hope Sullivan, AICP, Planning Manager

**Agenda Title:** For Possible Action: Discussion and possible action to introduce, on first reading, an ordinance relating to gaming and amending Title 4 of the Carson City Municipal Code (CCMC) to revise various provisions relating to gaming licenses and regulations. (Hope Sullivan, hsullivan@carson.org)

Staff Summary: CCMC Chapter 4.14 establishes provisions relating to gaming licenses and regulations. The proposed ordinance amendments are intended to eliminate redundancy, to create consistency with Nevada Revised Statutes (NRS) and to better reflect current operations.

**Agenda Action:** Ordinance - First Reading **Time Requested:** 30 Minutes

**Proposed Motion**

I move to introduce, on first reading, Bill No. \_\_\_\_\_.

**Board's Strategic Goal**

Efficient Government

**Previous Action**

N/A

**Background/Issues & Analysis**

Staff has identified redundancies contained within certain provisions of CCMC Chapter 4.14, and further identified certain conflicts with NRS. To avoid redundancy, to create consistency with NRS and to better reflect current operations, staff is recommending the proposed amendments to revise and update CCMC Chapter 4.14.

**Applicable Statute, Code, Policy, Rule or Regulation**

NRS Chapters 244 and 463,; Article 2 of the Carson City Charter

**Financial Information**

**Is there a fiscal impact?** No

**If yes, account name/number:** N/A

**Is it currently budgeted?** No

**Explanation of Fiscal Impact:** N/A

**Alternatives**

Modify the proposed ordinance or provide other direction to staff regarding proposed ordinance language.

**Attachments:**

[Ch 4.14 gaming ordinance DRAFT V.2.DOC](#)

[memo gaming.docx](#)

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

Summary: An ordinance revising various provisions relating to gaming licenses and regulations.

BILL NO. \_\_\_\_

ORDINANCE NO. 2019-\_\_

AN ORDINANCE RELATING TO GAMING; AMENDING TITLE 4 (LICENSES AND BUSINESS REGULATIONS) OF THE CARSON CITY MUNICIPAL CODE TO REVISE VARIOUS PROVISIONS RELATING TO GAMING LICENSES AND REGULATIONS; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

The Board of Supervisors of Carson City do ordain:

SECTION I:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Section 4.14.020 (Policy) is hereby amended (**bold, underlined** text is added, ~~stricken~~ text is deleted) as follows:

4.14.020 - Policy.

It is hereby declared to be the policy of [~~this chapter~~] **the Board** that all establishments **in Carson City** where gambling games are conducted or operated or where gambling devices are operated [~~in Carson City shall~~] **must** be licensed and controlled so as to better protect the public health, safety, morals, good order and general welfare of the inhabitants of Carson City. ~~and it is hereby made the duty of the sheriff of Carson City to investigate into the legal qualifications of each applicant for licenses under this chapter before any such license is issued to the end that licenses shall not be issued to unqualified or disqualified persons or to unsuitable persons or for prohibited places or locations. To better define the policy of this chapter the following persons are declared to be not qualified or satisfactory to hold any license under the provisions of this chapter:~~

1. ~~A person who shall have been convicted within the past five years:~~
  - a. ~~Of a felony or of any crime which under the laws of this state would amount to a felony;~~
  - b. ~~In this state, or elsewhere, of any crime of which fraud or intent to defraud was an element;~~
  - e. ~~Of larceny in any degree;~~
  - d. ~~Of buying or receiving stolen property;~~
  - e. ~~Of unlawful entry of a building;~~
  - f. ~~Of unlawful possessing or distributing narcotic drugs;~~

- ~~g. Of illegally using, carrying or possessing a pistol or other dangerous weapon.~~
- ~~2. A person under the age of twenty one (21) years.~~
- ~~3. A person who is not a citizen of the United States.~~
- ~~4. A person who does not possess a good moral character.~~
- ~~5. A person who the board shall determine is not a suitable person to receive a license under the provisions of this chapter, having due consideration for the proper protection of the public health, safety, morals, good order and general welfare of the inhabitants of Carson City.]~~

SECTION II:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Section 4.14.040 (Applications) is hereby amended (**bold, underlined** text is added, ~~stricken~~ text is deleted) as follows:

4.14.040 - Applications.

1. Each license provided for in this chapter may only be issued to one person, it being the intention of the ~~[board]~~ **Board** to hold the individual as said licensee personally responsible for the orderly conduct of said business. If the applicant is not the sole owner of the business to be conducted on the premises for which the license is sought, the application must be accompanied by a sworn statement of the owner or owners of said business appointing the applicant as the agent of said owner or owners, authorizing him to apply for said license and to conduct the business.
2. Any person desiring to conduct, operate or carry on any gambling game, slot machine, or any game of chance, or any jukebox, in accord with the terms of this chapter, shall submit a written application for such license, under oath, setting forth the following information:
  - a. The name, age, sex, address of present residence and address of all residences for the past five (5) years of applicant;
  - b. A description of the premises to be licensed giving the street and number and the portion thereof to be occupied by the establishment for which the license is sought;
  - c. The particular type of slot machine, or the particular game or device which the applicant proposes to carry on, conduct or operate on the described premises;
  - d. The name of the owner of the premises on which the licensed business is to be conducted and the name of his authorized agent, if any;
  - e. A statement that if the license be granted, the applicant will conduct the establishment in accordance with the provisions of the laws of the state of Nevada and the laws of Carson City applicable to the conduct of such business; and that such application is made upon the express condition that if such license be granted it shall be subject to revocation in accordance with the provisions of this chapter.

3. Every application for a license under subsection 1 of this section [~~shall~~] **must** be filed in the office of the clerk **Business License Division** and [~~shall~~] **must** be accompanied by payment of the amount of the license fee applicable to the particular type of license for which the application is made.

### SECTION III:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Section 4.14.045 (Requirements for unrestricted gaming license) is hereby amended (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

4.14.045 - Requirements for [~~unrestricted~~] **nonrestricted** gaming license.

1. No Carson City gaming license shall be granted to or maintained by the holder of [~~an unrestricted~~] **a nonrestricted** gaming license issued by the State of Nevada unless such licensee maintains on the same parcel of property no fewer than one hundred (100) guest rooms which comply with the requirements of Chapter 447 of the Nevada Revised Statutes as it may from time to time be amended, and which rooms shall be held out to the public as and for transient nightly occupancy.
2. Except as otherwise provided in [~~Section 4.14.046,~~] **CCMC 4.14.046**, the provisions of subsection 1 do not apply to any entity which holds [~~an unrestricted~~] **a nonrestricted** gaming license on the date the ordinance codified in this section became effective.
3. The provisions of subsection 1 do not apply to any entity having an application for [~~an unrestricted~~] **a nonrestricted** gaming license pending with the State of Nevada by August 1, 2002 providing that it is issued within one (1) year from the date of application.
4. The provisions of subsection 1 do not apply to any entity which previously held [~~an unrestricted~~] **a nonrestricted** gaming license but does not, on the date the ordinance codified in this section became effective, hold such a license, provided that such an entity make application to the State of Nevada for [~~an unrestricted~~] **a nonrestricted** gaming license within one hundred eighty (180) days of the date the ordinance codified in this section became effective. The [~~board of supervisors~~] **Board** in its discretion, may, for good cause shown, approve a onetime one hundred eighty (180) day extension of the time in which to make such application.
5. The provisions of subsection 1 do not apply to the transfer of any [~~unrestricted~~] **nonrestricted** gaming license issued by the State of Nevada, nor the transfer of any gaming license issued by Carson City, providing that such license is in good standing at the time of the transfer.

### SECTION IV:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Section 4.14.046 (Effect of discontinuation of unrestricted gaming for twenty-four (24) months) is hereby amended (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

4.14.046 - Effect of discontinuation of [~~unrestricted~~] **nonrestricted** gaming for twenty-four (24) months.

If gaming operations at any location for [~~unrestricted~~] **nonrestricted** gaming under the provisions of this code are discontinued for twenty-four (24) consecutive months, the exemptions set forth in Section 4.14.045 do not apply unless the licensee demonstrates that the discontinuance is due to the demolition and reconstruction, remodeling or expansion of the structure in which the licensed gaming activity took place. The licensee must have obtained a Carson City building permit for any such work and in any event has the burden of demonstrating that the discontinuance is for the purposes set forth herein. Any such demolition and reconstruction, remodeling or expansion must be diligently pursued and completed in a reasonably timely manner.

## SECTION V:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Section 4.14.047 (Appeals) is hereby amended (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

4.14.047 - Appeals.

1. If the Carson City gaming license is denied, the applicant may appeal to the [~~board of supervisors~~] **Board** as hereinafter provided.
2. A written notice of appeal from the denial of a license may be filed with the [~~city treasurer~~] **Business License Division** not later than ten (10) business days after notice of the denial is provided to the applicant by certified mail sent to his last known address. Upon receipt of the notice of appeal, the [~~treasurer~~] **Business License Division** shall schedule a hearing before the [~~board of supervisors~~] **Board**. Notice of the date, time and place of the hearing [~~shall~~] **must** be provided **to** the applicant by certified mail sent to his **or her** last known address not later than ten (10) business days before the time specified for the hearing. The applicant or his **or her** representative must appear at the hearing. The [~~board~~] **Board** may sustain the [~~treasurer's~~] decision **of the Business License Division** or order that the license [~~by~~] **be** issued. The decision of the [~~board~~] **Board** must be **made** in writing and [~~must~~] include one (1) or more of the following findings of fact:
  - a. Evidence of payment dates showing timely post-marks or other proof of timely delivery of documents described in [~~Section 4.14.045 (3) and (4);~~] **subsections 3 and 4 of CCMC 4.14.045;**
  - b. Evidence showing a reasonable sustained effort to timely comply or no fault of the applicant for failure to comply with performance dates set forth in [~~Section 4.14.045 (3) and (4);~~] **subsections 3 and 4 of CCMC 4.14.045;** or
  - c. Evidence of special circumstances or conditions which apply to the applicant's parcel of real property which make compliance with the provisions of [~~Section 4.14.045~~] **CCMC 4.14.045** difficult, provided that:

- i. Such circumstances or conditions are not self-imposed; and
- ii. The granting of the license will promote the public health, safety, and general welfare of Carson City by increasing tourism, [~~commerce,~~] **commerce** or other similar activities in an amount equivalent to that which would be achieved by compliance with [~~Section 4.14.045,~~] **CCMC 4.14.045**. The determination of equivalence shall be based on realistic estimates of [~~either, a)~~] an investment in tourism related infrastructure equivalent to that of one hundred (100) hotel rooms; [~~or, b)~~] **or** an annual economic benefit equivalent to that which would have been achieved by one hundred (100) hotel rooms. Examples of items that may qualify as tourist related investments include, [~~but are not limited to:~~] **without limitation, a** parking garage, golf course, convention center or a visitor attraction facility such as a museum, amusement [~~park,~~] **park or** science center. [~~, etc.~~] The measure of equivalence of annual economic benefit [~~shall~~] **must** include an estimate of potential annual expenditures in the community from the resulting tourism.

## SECTION VI:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Section 4.14.050 (License nontransferable) is hereby amended (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

### 4.14.050 - License nontransferable.

1. [~~A license issued to any person to conduct or operate a gambling game of gambling device under the provisions of this chapter on any premises in Carson City may not be used for any other premises or for any other part of the building containing the licensed premises, without the consent of the majority vote of the board.~~
- 2.] No license granted under the provisions of this chapter may be transferred by the licensee to any other person except upon application made to the [~~sheriff~~] **Business License Division** and which application must be approved by a majority vote of the [~~board, who~~] **Board, which** shall have the power and authority to grant the transfer or deny the request and require that a new and original application be made by the proposed transferee.
- [3-] **2.** If the licensee shall cease to operate the licensed business, or if said license shall be revoked, there shall be no refund on said license, or if a receiver or assignee for the benefit of creditors shall be appointed for said business, or guardian of the property of an individual holding a license shall be appointed during the time for which such license was granted, or if a person holding a license shall die during the term for which such license was given, such receiver or assignee or guardian of such a license, or the administrator or executor of the estate of such a deceased licensee, may continue to carry on the licensed business on the premises designated therein for the balance of the term for which said license was effective with the same rights and subject to the same restrictions and liabilities as if he had been the original holder of such license, providing the authority of the [~~board~~] **Board** be first obtained. Before continuing such business, such receiver, assignee or guardian or administrator or executor shall file a statement with the [~~board,~~] **Board**, setting forth the

facts and circumstances by which [~~they/he has succeeded to~~] the rights of the original [~~licensee.~~] **licensee have been succeeded.**

#### SECTION VII:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Section 4.14.170 (Revocation of license for cause) is hereby amended (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

##### 4.14.170 - Revocation of license for cause.

Any license issued under the provisions of this chapter may be revoked by the [~~board~~] **Board** when it shall appear to the satisfaction of a majority of the members of the [~~board~~] **Board** that:

1. The licensee or his employee has subsequent to the issuance of said license been convicted of an offense of such a nature as to cause a majority of the [~~board~~] **Board** to conclude that such licensee is no longer a suitable or qualified person to hold a license under the provisions of this chapter in Carson City;
2. For making any false material statement in an application for a license;
3. Transferring, assigning or hypothecating a license;
4. Failure to pay any quarterly installment of the license fee in advance; or
5. Refusal or neglect to comply with any of the provisions of this chapter.

#### SECTION VIII:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Section 4.14.180 (Procedure for revocation of license) is hereby amended (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

##### 4.14.180 - Procedure for revocation of license.

1. Any license that is issued pursuant to the provisions of this chapter may be revoked in the manner provided in this section.
2. The [~~board~~] **Board** may on its own motion or initiative, or upon complaint of any person, institute proceedings to revoke a license by mailing a complaint setting up the alleged reason for such proceeding to the licensee at the last address of such licensee as shown by his application or by a supplemental application filed pursuant to the provisions hereof.
3. The licensee shall within five (5) days from the date of such mailing, unless an extension of time be granted by the [~~board~~] **Board**, file with the clerk a written answer to such complaint, under oath.

4. The ~~[board]~~ **Board** shall fix a day and time for a hearing at which the licensee will be given an opportunity to be heard.
5. If the licensee fails to file a written answer within the time required or if the licensee fails to appear at the place and time designated for the hearing, the ~~[board]~~ **Board** shall order the license revoked.
6. The ~~[board]~~ **Board** shall within ten (10) days from the date of such hearing enter its order revoking or refusing to revoke said license.
7. There shall be no reopening or appeal or review of the proceedings whatever, before the ~~[board]~~ **Board**, except when it shall subsequently appear to the satisfaction of the ~~[board]~~ **Board** that the licensee's failure to answer or appear was due to matters beyond his control and not through negligence on the part of the licensee.
8. Where a license is sought to be revoked for nonpayment of license fees the above-described procedure is inapplicable. In instances where a licensee fails to pay the fees, his establishment may be closed down by the ~~[board]~~ **Board** ~~[of supervisors]~~ without a hearing in accordance with state policy and statutes.

#### SECTION IX:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Section 4.14.200 (False complaints) is hereby amended (**bold, underlined** text is added, ~~stricken~~ text is deleted) as follows:

4.14.200 - False complaints.

It shall be unlawful for any person to cause any complaint to be filed with the ~~[board]~~ **Board** seeking the revocation of any license issued under the terms of this chapter knowing such complaint to be unfounded in actual fact.

#### SECTION X:

That Title 4 (Licenses and Business Regulations), Chapter 4.14 (Gaming Licenses and Regulations), Sections 4.14.030 (Duties of the Sheriff), 4.14.090 (Sale or giving away things of value) and 4.14.160 (Private police) are hereby repealed with reservation of the section numbers as follows:

4.14.030 ~~[Duties of the Sheriff]~~ **Reserved.**

4.14.090 ~~[Sale of giving away things of value]~~ **Reserved.**

4.14.160 ~~[Private police]~~ **Reserved.**

SECTION XI:

That no other provisions of Title 4 of the Carson City Municipal Code are affected by this ordinance.

SECTION XII:

This ordinance becomes effective upon adoption after second reading.

PROPOSED on \_\_\_\_\_, 2019.

PROPOSED BY Supervisor \_\_\_\_\_

PASSED \_\_\_\_\_, 2019.

VOTE:

AYES:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NAYS:

\_\_\_\_\_  
\_\_\_\_\_

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
ROBERT L. CROWELL, Mayor

ATTEST:

\_\_\_\_\_  
AUBRY ROWLATT, Clerk-Recorder

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TEXT OF REPEALED SECTIONS

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**[4.14.030 – Duties of the sheriff.**

It shall be the duty of the sheriff:

1. ~~To inspect or cause to be inspected any premises where gambling games are conducted or operated or where gambling devices are operated.~~
2. ~~To investigate into the qualifications of all applicants for licenses as provided in this chapter, and to report the results of his investigation to the board and to recommend allowance or disallowance of any application for a license under the provisions of this chapter.~~
3. ~~To institute through the proper authorities proceedings, actions and prosecutions for the enforcement of the provisions of this chapter relating to the penalties, liabilities and punishment of persons for refusal or neglect to comply with the provisions of this chapter.~~
4. ~~To recommend to the board the revocation of any license issued under the provisions of this chapter:~~
  - a. ~~When a licensee has refused to comply with, or has violated any of the provisions of this chapter;~~
  - b. ~~Who has been found guilty by any court of competent jurisdiction of any violation of this chapter, or of any violation of any law of the state of Nevada regulating or pertaining to the conduct or operation of any gambling game or gambling device;~~
  - c. ~~For misrepresentation of a material fact by the applicant in obtaining a license hereunder; or~~
- d. ~~When a licensee shall be deemed to be no longer a suitable person to hold a license under the provisions of this chapter, having a due consideration for the proper protection of the public health, safety, morals, good order and general welfare of the inhabitants of Carson City.]~~

**[4.14.090 – Sale or giving away things of value.**

1. ~~It shall be unlawful to sell, or give away, or offer to sell or give away, any tokens, tickets, or other devices, used for the purpose of permitting the holder thereof to acquire any manner of property by chance, lottery, or skill, over the value of five hundred dollars, regardless of the purpose for which the proceeds of the venture are to be used, without first making application to the sheriff for a license to do so.~~
2. ~~Such application shall be made and the license granted or refused in the same manner as any other license.~~
3. ~~The fee for any such license shall be twenty five dollars (\$25.00) per quarter.]~~

**[4.14.160 – Private police.**

1. ~~Any licensee or group of licensees under this chapter may employ private policemen for the purpose of maintaining good order in the business establishment or establishments operated by such licensee or licensees with the following privileges and upon the following terms and conditions:~~
  - a. ~~Such private policemen, before they are employed as such by any licensee or licensees, shall be first approved by the sheriff, and such approval shall be effective only when given in writing. Such approval shall be continuous in nature, and the same may be revoked by the sheriff at any time for any reason satisfactory to him.~~
  - b. ~~Such private policemen may, while on duty as such, wear uniforms or insignia which have been first approved by the sheriff.~~
  - c. ~~Such private policemen shall for all purposes be deemed employees of said licensee or licensees and not employees or representatives of Carson City.~~
2. ~~The sheriff shall require from each licensee or group of licensees desiring to employ one or more uniformed private policemen a bond in the sum of not less than five thousand dollars (\$5,000.00) by the terms of which Carson City and the sheriff are indemnified against, and saved harmless from, any claim or cause of action arising out of or based upon, in part or in whole, the acts or conduct of any private policeman employed by such licensee or group of licensees.]~~



## Carson City Planning Division

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planning@carson.org  
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### MEMORANDUM

Board of Supervisors Meeting of June 6, 2019

**TO: Board of Supervisors**

**FROM: Hope Sullivan, AICP  
Planning Manager**

**DATE: May 30, 2019**

**SUBJECT: Clarification of Changes Proposed in an Ordinance amending CCMC Chapter 4.14 Gaming Licenses and Regulations.**

The objective of the amendments is to avoid redundancy, create consistency with NRS, and to better reflect current operations. A summary of the proposed amendment is as follows.

CCMC 4.14.020 obligates the Sheriff to conduct background checks on people seeking gaming licenses, and to inspect the premises where gambling games are conducted. This is a duplication of actions taken by the Nevada Gaming Control Board. Therefore, these provisions are proposed to be removed. It will remain the obligation of the State to determine a person's fitness to possess a gaming license and to inspect the premises.

CCMC 4.14.040 addresses applications. Staff recommends a modification to this provision so that the application is submitted to the business license division as opposed to being filed with the Clerk as the business license division administers the gaming regulations.

CCMC 4.14.045 addresses the requirements for an unrestricted gaming license. As NRS utilizes the term "nonrestricted" rather than "unrestricted," this provision is proposed to be modified to utilize the same terminology as NRS.

CCMC 4.14.047 advises that appeals are filed with the Treasurer. As the business license division administers the City's gaming regulations, this provision is proposed to be modified to have appeals submitted to the business license division.

CCMC 4.14.050 addresses licenses being nontransferable. This includes a prohibition of using any other premises for a gaming establishment without permission of the Board. There is no criteria for the Board to rely on in making a decision. Staff finds this to be a land use matter, and that it is addressed in Title 18. As a land use matter, any appeals of land use decisions would ultimately come before the Board. Therefore, staff recommends removal of the prohibition related to the location. This will result in the location of a gaming use being regulated through zoning.

Subsection 2 of this provision references submittal of applications to the sheriff. As the business license division administers Title 4, this provision is proposed to be modified so that the application is submitted to the business license division.

CCMC 4.14.090 regulates the sale or giving away of things of value. There is currently no application of this provision. The Sheriff has reviewed this provision and does not find it to be necessary. Therefore, staff recommends its elimination.

CCMC 4.14.160 regulates private police. There is currently no application of this provision. The Sheriff has reviewed this provision and does not find it to be necessary. Therefore, staff recommends its elimination.