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underlined material is that portion being added

BILL NO. _____

SUMMARY – An ordinance amending sections of Chapter 8.20 of the Clark County Code to revise the requirements of taverns operating with a gaming license.

ORDINANCE NO. _____

(of Clark County, Nevada)

AN ORDINANCE AMENDING CHAPTER 8.20 OF THE CLARK COUNTY CODE TO REVISE THE REQUIREMENTS OF TAVERNS OPERATING WITH A GAMING LICENSE, AMENDING DEFINITIONS RELATING THEREO, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

THE BOARD OF COUNTY COMMISSIONERS DOES ORDAIN AS FOLLOWS:

SECTION ONE. Section 8.20.020.023 of the Clark County Code is amended to read as follows:

8.20.020.023 Bar.

A “bar” is a physical structure with a flat horizontal counter, at least forty-two (42) inches in height and at least twenty-four (24) inches in width between the back of the bar and the front of the bar, on one side of which alcoholic liquors are kept and maintained, where seats may be placed for patrons to sit on the side opposite from where the alcoholic liquor is kept, and where the sale and service of alcoholic beverages are by the drink across the width of such structure. The following liquor licenses permit the operation of a bar on a licensed premises: main bar, full bar, tavern, pub, nightclub, supper club, retail beer and wine and portable bar.

SECTION TWO. A new section of the Clark County Code, designated 8.20.020.024, is adopted to read as follows:

8.20.020.024 Bartop Machine.

A “bartop machine” means a slot machine or gaming device which is installed into the flat horizontal counter of a “bar”, as further defined in Section 8.20.020.023 of this code. The screen of the machine or device shall be at a minimum height of 40 inches, on the patron’s side of the bar. A “bartop machine” may not be capable of operating except when installed into a “bar”.

SECTION THREE. Section 8.20.020.385 of the Clark County Code is amended to read as follows:

8.20.020.385 Taverns

(a). **Grandfathered Taverns.** “Grandfathered Tavern” means a tavern licensed for fifteen (15) or fewer slot machines prior to the effective date of the Nevada Clean Indoor Air Act (Nevada Revised Statutes 202.2483, et seq, added to the Nevada Revised Statutes in 2006 by Initiative Petition, Ballot Question No, 6, effective December 8, 2006). A “grandfathered tavern” shall not be required to come into compliance with subsections (c) or (d) below; provided, however, that a “grandfathered tavern” shall be required to comply with subsections (c) or (d) below in the event of (i) a sale of transfer of any interest in the licensee or the premises, and the business and the new transferee, owner, licensee or operator fails to install or maintain a “bar”, as defined in Section 8.20.020.023, or fails to operate each of the permitted slot machines as a “bartop machine”, as defined in Section 8.20.020.024, installed into the “bar”; or (ii) the failure of the owner, licensee or operator to operate and maintain the tavern in a manner substantially similar to the operation and physical layout of the tavern as of the date of enactment hereof. Any “grandfathered tavern” which operated a “tavern restaurant” as of July 1, 2014 , must continue to operate such “tavern restaurant” in ordered to remain a “grandfathered tavern”.

(b). "Tavern" means a bar, or lounge, where alcoholic liquors are sold at retail by the drink to the general public. A tavern liquor license is the only category of liquor license that a licensed adult

entertainment cabaret is eligible for. A restaurant may be operated on the same premises with a tavern. Minors may be allowed in the restaurant provided there is separation between the bar and/or lounge area and the restaurant area by a structural barrier sufficient to exclude minors from the bar and/or lounge area, and provided that no liquor sales, consumption, or distribution occur in an area not licensed for liquor sales or under the control of the liquor licensee. Alcoholic liquors may be served to all patrons aged twenty-one and older throughout the premises, except that any person twenty-one and older accompanying a minor in the restaurant portion of the business may ~~[only]~~ be served alcohol only in conjunction with meals at dining tables or booths. Whenever package liquor is sold in a tavern, it is unlawful to consume the contents of the package liquor on the premises. ~~[Taverns licensed prior to separation requirements relating to restaurants in taverns shall be required to come into compliance with said requirements upon change of ownership of the business or upon transfer of fifty percent or more of stock.]~~

(c). The only gaming license which may be operated in conjunction with a tavern is a Class A slot machine license. ~~[All taverns making application for a Class A slot machine license after December 22, 2010, shall be required to provide the following: (a) at least two thousand five hundred square feet of area open and available for use by patrons; (b) a bar as defined in Chapter 8.20 of this code, in which are embedded at least eight of the slot machines on location in the premises (if a location has fewer than eight slot machines, all shall be integrated); and (c) a tavern restaurant, as defined by this code. Any tavern which has been granted a Class A slot machine license based on an application filed with Clark County prior to December 22, 2010, and which is not in full compliance with this code section must, in order to continue to be licensed for a Class A slot machine license, come into compliance with the requirement to have a bar as defined by Chapter 8.20 of this code in which at least eight slot machines are integrated upon the earlier of (i) a change of ownership of such business or upon the transfer of fifty percent or more of the stock or other ownership interest in the entity owning such business, or (ii) April 22, 2013. Any tavern granted a gaming license prior to December 22, 1990 existing at the same location shall be exempt from the requirement to have a bar as defined by Chapter 8.20 of this code in which at~~

~~least eight slot machines are integrated. Taverns for which an application for a Class A slot machine license was filed with Clark County prior to December 22, 2010, shall be exempt from the requirements to provide (i) two thousand five hundred square feet of area open and available for use by patrons and (ii) a tavern restaurant, provided that the location does not remain without a nonconforming license for a period of eighteen consecutive months. All taverns which qualify for an exemption from the requirements to provide (i) two thousand five hundred square feet of area open and available for use by patrons and (ii) a tavern restaurant, and those which may have been granted a tavern license and a Class B slot machine license as of June 1, 1981, may, upon a change of ownership, continue to be licensed for nonconforming tavern operations if the new owners are found suitable.~~

b.† A tavern licensee may apply for, and if granted, hold a Class A slot machine license for up to 15 slot machines. If a tavern licensee advertises, it must advertise in its name, brand, logo or other trademarks, the tavern as its primary business, as opposed to the operation of slot machines; however, the licensee may advertise the presence of slot machines on the premises. To maintain a license for operation of over 7 slot machines as incidental to a tavern license, the licensee must either:

(1) maintain a “bar” as defined by Section 8.20.020.023 of this code in which all of the permitted slot machines are installed as “bartop machines”, as defined by Section 8.20.020.024 of this code, and operate a “tavern restaurant” as that term is defined by Section 8.20.020.387 of this Chapter; or

(2) limit revenue from the operation of licensed slot machines to not more than 50% of its “tavern revenue”, as that term is defined in Section 8.20.020.388 of the Clark County Code. Further, the licensee’s revenue from the sale of sundries (exclusive of food and alcoholic beverages served on the premises) shall not be included in the calculation of gross revenue.

(d). Each tavern holding a Class A slot machine license for more than seven (7) slot machines shall file a yearly report with the Director or her designee setting forth its compliance with either (c)(1) or (2) above, on forms prescribed by the Director. Each report shall be for a one-year period beginning

January 1 and concluding with December 31 of that year. The report shall be filed no later than 20 business days following the end of each reporting period. Failure to timely file the report, or filing misleading or false reports, may result in disciplinary action, up to and including revocation of both the slot machine and tavern licenses. If any licensee reports non-compliance with both subsection (c) (1) and (2) above, it shall remove all but seven (7) of the permitted slots from the premises.

The Director or her designee may conduct an annual audit of each tavern licensee who also holds a slot machine license in excess of seven (7) machines in conjunction with the operation of that tavern. If the results of the audit establish a violation of this section, the gaming license shall be reduced to seven (7) slot machines. After a reduction in allotted machines has been in effect for at least one year, the licensee may reapply for additional slots but must comply with the restrictions on revenue generated by such slots. If the next annual audit does not establish compliance with the revenue restrictions, the licensee will again be reduced to 7 slots and is not eligible for re-application for a three year period.

(e) The revenue from gaming for a Class A slot machine license for seven (7) or fewer slots in conjunction with the operation of a tavern is presumed to be incidental to the operation of the tavern license and does not trigger the requirements of subsection b above.

(f) If a licensee continues to operate over seven (7) slot machines after filing a report indicating a failure to comply with the requirements of subsection (c) above, or after a finding by the Director or her designee of a failure to meet the requirements of subsection (c) above, the Director may immediately cause a complaint and citation to be issued pursuant to Sections 8.08.040 and 8.08.050 of this code, and set a hearing to revoke the license or take other disciplinary action. This remedy is in addition to and not in place of any other remedy provided by this code for a violation of any section thereof.

SECTION FOUR. Section 8.20.020.387 of the Clark County Code is amended to read as follows:

8.20.020.387. Tavern Restaurant

A “tavern restaurant” means a space operated in conjunction with a tavern, in a suitable building kept, used, maintained, advertised or held out to be a public place where hot meals are prepared and cooked on the premises, ordered from tables or booths providing a seating capacity for at least twenty-five persons in a room separate from the on-premises kitchen. Pre-packaged or pre-prepared items which are reheated for sale do not qualify as meals under this subsection. The kitchen must be operated no less than ~~twelve~~ sixteen hours per day each day that the tavern is open for business to the public, and must employ no fewer than one worker dedicated solely to the operation of the tavern restaurant for each hour that the kitchen is in operation. If the restaurant allows admittance of minors, the dining room shall be divided and separated from the bar and/or lounge area. If the restaurant does not allow the admittance of minors, no physical separation from the bar and/or lounge area is required, but a sign must be posted at the entrance of the business which states that the entrance of minors is prohibited. The stools at the bar, or seats in a lounge or outside dining area, may not be included as meeting the minimum seating requirement.

SECTION FIVE. A new section of the Clark County Code, designated 8.20.020.388, is adopted to read as follows:

8.20.020.388 Tavern Revenue

“Tavern revenue” means the cash revenue received by a tavern licensee derived from the cash sale of food and beverage (excluding complimentaries) and the slot machine revenue received by the tavern, inclusive of any payment to a slot machine operator, as that term is defined in Section 8.040.010.175. Each tavern licensee shall keep complete and accurate records of its tavern revenue that distinguishes between the slot machine revenue and the cash sale of food and beverage. The licensee’s revenue from the sale of sundries shall not be included in the calculation of tavern revenue. Sundries includes, without limitation, the sale of cigarettes and other tobacco products, but do not include the sale of food and alcoholic beverages served on the premises.

SECTION SIX. If any section of this ordinance or portion thereof is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such holding shall not invalidate the remaining parts of this ordinance.

SECTION SEVEN. All ordinances, parts of ordinances, chapters, sections, subsections, clauses, phrases or sentences contained in the Clark County Code in conflict herewith are hereby repealed.

SECTION EIGHT. This ordinance shall take effect and be in force from and after its passage and the publication thereof by title only, together with the names of the County Commissioners voting for or against its passage, in a newspaper published in and having a general circulation in Clark County, Nevada, at least once a week for a period of two (2) weeks.

PROPOSED on the ____ day of _____, 2014.

PROPOSED BY: Commissioner _____.

PASSED on the ____ day of _____, 2014.

AYES: _____

NAYS: _____

ABSTAINING: _____

ABSENT: _____

