



## Department of Business License

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### WORKSHOP AMENDMENTS TO CLARK COUNTY CODE 8.20 TAVERNS WITH CLASS A GAMING OCTOBER 17, 2014

#### Introduction:

The proposed amendment to Chapter 8.20 of the Clark County Code (the “amendment”) seeks to revise the operational requirements of a “Tavern” in order to clarify under what circumstances gaming will be considered incidental to the primary business of a tavern. **Note: Clark County Gaming Code, 8.04.040 defines that a Class A Slot Machine License as “one which permits the operation of a total of fifteen or fewer slot machines incidental to the primary business at the establishment” in this case, a tavern.**

#### How will taverns comply with the “incidental” requirement?

Under the amended definition of “taverns,” 8.20.020.385 (page 2-5), simply put, a tavern licensed after December 8, 2006, in order to operate more than seven slot machines, must either:

- (i) maintain a “bar” with all of the “bartop machines” installed in the bar and maintain a “tavern restaurant.” See 8.20.020.023 (page 1) for definition of “bar,” 8.20.020.024 (page 2) for definition of “bartop machine,” and 8.20.020.387 (page 5) for “tavern restaurant.”

**OR**

- (ii) Demonstrate that the revenue from its slot machines makes up 50% or less of its tavern revenue. See 8.20.020.388 (page 6) for definition of “tavern revenue”
- (iii) Any tavern can operate up to seven slot machines without complying with the amendment.

#### Which taverns will be grandfathered?

##### **Grandfathered Taverns – 8.20.020.385 (page 2)**

- (i) The amendment will only apply to Taverns licensed after December 8, 2006. Taverns licensed prior to December 8, 2006, are “grandfathered taverns” that do not have to comply with the amendment unless the tavern is sold and the new owner **either** (i) doesn’t install or maintain a bar with bartop machines, both as defined in the amendment, or (ii) fails to operate the tavern in substantially the same manner in which it operated prior to the sale. In addition, if a grandfathered tavern operated a tavern restaurant prior to the July 1, 2014, the tavern must continue to operate a tavern restaurant in order to continue to be a grandfathered tavern. In short, if a tavern was

licensed prior to December 8, 2006, and continued to operate as a tavern, it will not have to comply with the amendment unless it attempts to become a slot parlor.

- (ii) “Grandfathered taverns” which operated a “tavern restaurant” as of July 1, 2014, must continue to operate such a “tavern restaurant.”

### **Advertising Requirements**

#### **8.20.020.385 (page 4):**

If a tavern advertises, it must advertise the tavern as a primary business in its own name, brand, logo or other trademarks as opposed to the operation of slot machines. Taverns may advertise the presence of slot machines on the premises.

### **Reporting Requirements**

#### **8.20.020.385 (page 4):**

Each tavern with more than 7 slot machines shall file a yearly report with the Director setting forth compliance.

### **Failure to Comply**

#### **8.20.020.385 (page 5):**

Reported failure to comply with operational requirements results in removal of all but 7 slot machines.

Failure to report or filing false or misleading reports may result in disciplinary action including revocation of license.

Failure of annual audit by Department results in removal of all but 7 slot machines for one year. Licensee may reapply for additional slots subject to the compliance with “tavern revenue.”

Failure of subsequent audit by Department results in removal of all but 7 slot machines for three years