

SENATE BILL NO. 22—COMMITTEE ON REVENUE
AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

PREFILED DECEMBER 20, 2014

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to certain licenses
pertaining to intoxicating liquor. (BDR 32-455)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to intoxicating liquor; revising provisions governing the review and approval of certain licenses related to intoxicating liquor; providing for the governing body of a city to conduct certain investigations and hearings and recommend revocation or suspension of such licenses; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires that certain persons and businesses, including importers
2 of liquor, wholesale dealers of beer or wines and liquors, winemakers, instructional
3 wine-making facilities, breweries, brew pubs and craft distilleries must obtain a
4 state license or permit to engage in certain activities involving intoxicating liquor.
5 (NRS 369.180) Existing law further requires that an application for a license for
6 these persons or businesses must be made to the board of county commissioners of
7 the county in which the applicant maintains his or her principal place of business
8 and that the board of county commissioners shall approve or disapprove the
9 application. (NRS 369.190, 369.200) **Sections 1 and 2** of this bill provide that a
10 applicant whose principal place of business is located within an incorporated city
11 must submit an application for a license to the governing body of the city instead of
12 the board of county commissioners, and the governing body of the city shall
13 approve or disapprove the application. **Section 10** of this bill provides that a
14 licensee whose principal place of business is located within an incorporated city
15 must pay the annual license fee to the city instead of the county.



16 Existing law authorizes the board of county commissioners to investigate
17 complaints against a licensee, conduct hearings and recommend, under certain
18 circumstances, the revocation or suspension of licenses. (NRS 369.230-369.290)
19 **Sections 3-6** of this bill provide for the governing body of a city instead of the
20 board of county commissioners to investigate the actions of a licensee, issue a
21 citation for a licensee to answer a complaint, conduct a hearing and recommend the
22 suspension or revocation of a license for a licensee whose principal place of
23 business is located within an incorporated city. **Sections 7-9 and 11** of this bill
24 make various conforming changes relating to the authority of a governing body of a
25 city.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 369.190 is hereby amended to read as follows:

2 369.190 1. An application for any of the licenses described in
3 NRS 369.180 must be made to ~~the~~:

4 (a) *The board of county commissioners of the county in which*
5 *the applicant maintains his or her principal place of business ~~if~~ if*
6 *the applicant does not maintain his or her principal place of*
7 *business within the boundaries of an incorporated city; or*

8 (b) *The governing body of the city in which the applicant*
9 *maintains his or her principal place of business if the applicant*
10 *maintains his or her principal place of business within the*
11 *boundaries of an incorporated city.*

12 2. Each application must:

13 (a) Be made on such form as the Department prescribes.

14 (b) Include the name and address of the applicant. If the
15 applicant is:

16 (1) A partnership, the application must include the names
17 and addresses of all partners.

18 (2) A corporation, association or other organization, the
19 application must include the names and addresses of the president,
20 vice president, secretary and managing officer or officers.

21 (3) A person carrying on or transacting business in this state
22 under an assumed or fictitious name, the person making the
23 application must attach to the application:

24 (I) A certified copy of the certificate required by NRS
25 602.010 or any renewal certificate required by NRS 602.035.

26 (II) A certificate signed by an officer of the corporation or
27 by each person interested in, or conducting or carrying on such
28 business, or intending so to do, and acknowledged before a person
29 authorized to take acknowledgments of conveyances of real
30 property, indicating the name of the authorized representative whose
31 signature may be required on the license under the provisions of this
32 chapter.



1 (c) Specify the location, by street and number, of the premises
2 for which the license is sought.

3 (d) Be accompanied by the annual license fee required for the
4 particular license for which application is made.

5 3. The board of county commissioners *or the governing body*
6 *of a city, as applicable*, shall examine all applications filed with it,
7 and shall require satisfactory evidence that the applicant is a person
8 of good moral character.

9 **Sec. 2.** NRS 369.200 is hereby amended to read as follows:

10 369.200 1. The board of county commissioners *or the*
11 *governing body of a city, as applicable*, shall approve or disapprove
12 applications. If an application is disapproved by the board of county
13 commissioners ~~or~~ *or the governing body of a city*, the board *or the*
14 *governing body, as applicable*, forthwith shall return the license fee
15 accompanying the application to the applicant. If the board of
16 county commissioners *or the governing body of a city* approves an
17 application, the board *or the governing body, as applicable*, shall
18 forward it to the Department, together with the board's *or the*
19 *governing body's* written approval thereof and the license fee
20 accompanying the application.

21 2. Upon receipt thereof the Department shall review the
22 application and approval, and, if no further objections are presented
23 or known, shall issue the appropriate license to the applicant.

24 3. In its discretion, the Department may grant an applicant
25 whose application has been disapproved a new hearing before the
26 Department if it shall be made to appear to the Department that the
27 decision of the board of county commissioners *or the governing*
28 *body of a city, as applicable*, was arbitrary, unreasonable or unjust.

29 **Sec. 3.** NRS 369.230 is hereby amended to read as follows:

30 369.230 The board of county commissioners *or the governing*
31 *body of a city, as applicable*, may, upon its own motion, and shall,
32 upon the verified complaint in writing of any person, investigate the
33 action of any licensee under this chapter, and shall have power to
34 recommend the temporary suspension or permanent revocation of a
35 license for any one of the following acts or omissions:

36 1. Misrepresentation of a material fact by the applicant in
37 obtaining a license under this chapter;

38 2. If the licensee violates or causes or permits to be violated
39 any of the provisions of this chapter;

40 3. If the licensee commits any act which would be sufficient
41 ground for the denial of an application for a license under this
42 chapter;

43 4. If the licensee sells liquor to a wholesaler or retailer who is
44 not a holder of a proper license or permit at such time; or



1 5. If the licensee fails to pay the excise tax or any penalty in
2 connection therewith, in whole or in part, imposed by law, or
3 violates any regulation of the Department respecting the same.

4 **Sec. 4.** NRS 369.240 is hereby amended to read as follows:

5 369.240 1. Upon the filing with the board of county
6 commissioners of the county in which a licensee maintains his or
7 her principal place of business *or with the governing body of the*
8 *city in which the licensee maintains his or her principal place of*
9 *business if the licensee maintains his or her principal place of*
10 *business within an incorporated city* of a verified complaint
11 charging the licensee with the commission, within 1 year prior to the
12 date of filing the complaint, of any act which is cause for suspension
13 or revocation of a license, the board of county commissioners *or the*
14 *governing body, as applicable*, forthwith shall issue a citation
15 directing the licensee, within 10 days after service thereof upon him
16 or her, to appear by filing with the board of county commissioners
17 *or the governing body, as applicable*, a verified answer to the
18 complaint showing cause, if any he or she has, why his or her
19 license should not be suspended or revoked. Service of the citation
20 with a copy of the complaint shall be made upon the licensee as
21 provided by the Nevada Rules of Civil Procedure for the service of
22 process in civil actions.

23 2. Failure of the licensee to answer within the time specified
24 shall be deemed an admission by the licensee of the commission of
25 the act or acts charged in the complaint. Thereupon, the board of
26 county commissioners *or the governing body of a city, as*
27 *applicable*, shall give written notice of the failure of the licensee to
28 answer to the Department. The Department forthwith shall suspend
29 or revoke the license, as the case may be, and shall give notice of
30 such suspension or revocation by mailing a true copy thereof, by
31 United States registered or certified mail in a sealed envelope with
32 postage thereon fully prepaid, addressed to the licensee at his or her
33 latest address of record in the office of the Department.

34 **Sec. 5.** NRS 369.250 is hereby amended to read as follows:

35 369.250 Upon the filing of the answer, the board of county
36 commissioners *or the governing body of a city, as applicable*, shall
37 fix a time and place for a hearing and give the licensee and the
38 complainant not less than 5 days' notice thereof. The notice may be
39 served by depositing in the United States mail a true copy of the
40 notice enclosed in a sealed envelope with postage thereon fully
41 prepaid, addressed to the licensee and to the complainant,
42 respectively, at their last known addresses. With the notice to the
43 complainant there shall be attached or enclosed a copy of the
44 answer. If either party has appeared by counsel the notice shall be
45 given, in like manner, to counsel instead of to the party.



1 **Sec. 6.** NRS 369.260 is hereby amended to read as follows:

2 369.260 1. Upon the hearing, the board of county
3 commissioners *or the governing body of a city, as applicable*, shall
4 hear all relevant and competent evidence offered by the complainant
5 and by the licensee.

6 2. After the hearing is concluded and the matter submitted, the
7 board of county commissioners *or the governing body of a city, as*
8 *applicable*, shall, within 10 days after such submission, render its
9 decision in writing recommending the suspension or revocation of
10 the license, or dismissing the complaint, with a statement of the
11 board's *or the governing body's* reasons therefor.

12 3. The board of county commissioners *or the governing body*
13 *of a city, as applicable*, shall give to the complainant and to the
14 licensee, or their respective attorneys, notice of such
15 recommendation, by mail, in the same manner as prescribed in this
16 chapter for the giving of notice of hearing.

17 4. A copy of the decision of the board of county commissioners
18 *or the governing body of a city* recommending the suspension or
19 revocation of a license shall be transmitted forthwith by the board ,
20 *or the governing body, as applicable*, to the Department.
21 Thereupon, the Department shall cause the license to be suspended
22 or revoked and shall give notice thereof in the same manner as
23 provided in NRS 369.240.

24 **Sec. 7.** NRS 369.270 is hereby amended to read as follows:

25 369.270 1. Notwithstanding any other provision of this
26 chapter, before suspending or revoking any license, the Department,
27 in its discretion, may:

28 (a) If the licensee has not appeared pursuant to the provisions of
29 NRS 369.240, permit the licensee to appear before the board of
30 county commissioners *or the governing body of a city, as*
31 *applicable*, and make a showing on his or her behalf if it is made to
32 appear to the Department that the licensee's neglect to appear before
33 the board of county commissioners *or the governing body* was
34 excusable.

35 (b) If a hearing was had, grant the licensee a new hearing before
36 the Department if it shall be made to appear to the Department that
37 the decision of the board of county commissioners *or the governing*
38 *body of a city, as applicable*, was arbitrary, unreasonable or unjust.

39 2. After any new hearing before the Department, the
40 Department shall enter a final order revoking or refusing to revoke
41 the license affected.

42 **Sec. 8.** NRS 369.280 is hereby amended to read as follows:

43 369.280 1. Notwithstanding any other provision of this
44 chapter, the board of county commissioners *or the governing body*
45 *of a city, as applicable*, shall have the right to suspend or revoke



1 summarily any license in cases appearing to it to be of an
2 aggravated and flagrant violation of law.

3 2. On request, in all such cases, the Department shall conduct a
4 hearing covering the proceedings and evidence, if any, before the
5 board of county commissioners ~~or~~ *or the governing body of a city,*
6 *as applicable*, and any additional evidence offered by the board of
7 county commissioners, *the governing body* or the licensee.

8 3. The hearing before the Department shall be had on
9 reasonable notice of time, place and subject matter to the licensee
10 and the board of county commissioners ~~or~~ *or the governing body of*
11 *a city, as applicable*, and the Department shall decide the matter
12 without delay by either confirming, modifying or setting aside the
13 action of the board of county commissioners ~~or~~ *or the governing*
14 *body, as applicable*.

15 4. If the Department finds that a licensee is violating any of the
16 provisions of this chapter, the Department may issue a summary
17 suspension of the violator's license. The Department shall notify the
18 board of county commissioners *or the governing body of a city, as*
19 *applicable*, of such suspension. Within 10 days after such notice the
20 Department shall conduct a public hearing in the matter in the
21 appropriate county ~~or~~ *city, as applicable*. The board of county
22 commissioners *or the governing body of a city, as applicable*, may
23 appear before the Department at the hearing.

24 **Sec. 9.** NRS 369.290 is hereby amended to read as follows:

25 369.290 Upon a subsequent written recommendation of the
26 board of county commissioners *or the governing body of a city, as*
27 *applicable*, setting forth that the licensee has shown proper cause in
28 the opinion of the board of county commissioners ~~or~~ *or the*
29 *governing body, as applicable*, the Department may renew any
30 license cancelled as provided in this chapter.

31 **Sec. 10.** NRS 369.310 is hereby amended to read as follows:

32 369.310 1. All license fees are due and payable on July 1 of
33 each year. *The license fees must be paid to:*

34 (a) *If the licensee does not maintain his or her principal place*
35 *of business within the boundaries of an incorporated city, the*
36 *county in which the licensee maintains his or her principal place*
37 *of business; or*

38 (b) *If the licensee maintains his or her principal place of*
39 *business within the boundaries of an incorporated city, the city in*
40 *which the licensee maintains his or her principal place of*
41 *business.*

42 2. If *the licensee does not* ~~[paid by]~~ *pay the license fees before*
43 July 15 of each year, the license may be cancelled by the
44 Department. Between July 15 and July 31 of each year, the fee may
45 be paid with a penalty of 5 percent added to such fee. If the fee and



1 penalty are not paid by July 31 of each year, the license shall be
2 cancelled automatically.

3 ~~[2.]~~ 3. If any license is issued at any time during the year other
4 than by July 15, the fee shall be for that proportionate part of the
5 year that the license will be in effect, which in any event shall be for
6 not less than one quarter of a year.

7 ~~[3.]~~ 4. No license shall be dated other than on the 1st day of
8 the month in which it is granted.

9 **Sec. 11.** NRS 369.510 is hereby amended to read as follows:

10 369.510 1. In any investigation, proceeding or hearing which,
11 under the provisions of this chapter, the board of county
12 commissioners *or the governing body of a city* is empowered to
13 institute, conduct or hold, the board of county commissioners *or the*
14 *governing body* shall have the power to administer oaths, certify to
15 official acts, and issue subpoenas for the attendance of witnesses
16 and the production of books, papers and records.

17 2. In like proceedings before it, the Department shall have the
18 same powers as those enumerated in subsection 1.

