

CLARK COUNTY, NEVADA

Business Impact Statement

The following Business Impact Statement was prepared pursuant to Nevada Revised Statutes (NRS) 237.080 and 237.090 to address the proposed impact of adoption of amendments to:

Clark County Code Title 8, Chapter 8.20 – Liquor License Regulations; and Title 8, Chapter 8.24 – Work Identification Cards

Description of the proposed ordinance or rule:

The proposed amendments to the Clark County Code establish regulations regarding the handling, transport, and delivery of liquor; adding a new section to provide for the licensure of liquor delivery support services; revising the exceptions for the off-premises delivery of alcohol by package liquor licensees to include liquor stores, grocery stores, and liquor delivery support services; adding a section to prohibit the employment of minors to sell or handle liquor; establishing operational requirements for the delivery of liquor to a consumer in certain areas by a grocery store, liquor store, or a liquor delivery support service; and requiring work identification cards for any person employed by a liquor delivery support service

Intent of the proposed ordinance or rule including issues to be resolved or other factors to be considered:

The intent of this proposed ordinance is to conform to NRS 369.489 and Chapter 369 of NAC and to establish provisions that would allow grocery stores, liquor stores and liquor delivery support services to deliver liquor to customers in a safe manner that protects the public from the sale of liquor to minors.

Description of the manner in which public comment, data or arguments was solicited from affected businesses and/or community stakeholders:

On May 23, 2024, the County sent a Notification of Proposed Amendments to Clark County Code, Title 8, Chapters 8.20 – Liquor License Regulations and Chapter 8.24 – Work Identification Cards (Notification Letter, Attachment #1) and the Proposed Ordinance to various chambers of commerce, trade associations, licensed grocery stores, liquor stores, delivery services, attorneys, and other interested parties. The Notification was published in the Las Vegas Review-Journal on May 29 and June 5, 2024 (Attachment #2). The Notification and proposed ordinance were also available on the Department of Business License’s website. Recipients of the Notification Letter were encouraged to respond with any comments or concerns regarding the proposed ordinance.

Summary of public comment, data or arguments including the number of public comments received:

Following a comment period that lasted 16 working days, four (4) written comments were received. **[County responses to comments are in bold text and bracketed.]**

Response #1 – Adult Beverage Alliance, TechNet, Amazon, DoorDash, Grubhub, Instacart, Shipt, and Uber – (Attachment #3)

A joint response dated June 17, 2024, was received from two associations and six delivery support businesses strongly supporting expanding alcohol beverage delivery opportunities. The responders stated specific provisions in the proposed ordinance that they believe will present significant operational challenges that will effectively prohibit third-party delivery in Clark County.

- 1) The commenters believe the requirement that delivery personnel obtain work cards is impractical and unnecessary. Most delivery personnel will be independent contractors and existing County Code only contemplates work cards for employees of certain businesses. Also, many delivery drivers may deliver for multiple delivery platforms which makes it difficult to obtain a work card referral from any particular company as their employer. **[The Las Vegas Metropolitan Police Department will allow the Department of Business License to issue referrals. Work card holders may add all additional platforms online.]**
- 2) The responders believe that the ordinance should expand alcohol delivery privileges further to include a broader range of licensed retailers including package beer/wine retailers and on-premises licensees. The delivery support businesses have successfully partnered with drugstores, convenience stores, restaurants and other retailer in other jurisdictions to deliver alcohol and would like the opportunity to provide the same services to all retail licensees in Clark County. **[The County’s interpretation is that delivery is only allowed for businesses licensed for the retail sale of beer, wine, and liquor.]**
- 3) Delivery of alcohol should be restricted only to resort hotels and not to all H-1 (now known as CR - Commercial Resort) zoned property. **[The Nevada Resort Association requested that no liquor deliveries be made to any location within a CR zone except by grocery stores as currently permitted by Clark County Code.]**
- 4) Clarity is needed regarding interjurisdictional deliveries. The proposed ordinance is unclear regarding the requirements for a delivery originating from a licensed retailer in a neighboring jurisdiction to a customer located in the unincorporated County. **[The ordinance was revised to include provisions to allow properly licensed grocery stores and liquor stores located in adjacent jurisdictions to delivery alcohol into unincorporated areas of the County.]**

- 5) The following additional delivery requirements impose direct and significant economic burdens and would directly restrict the operations or expansion of business.
- A. **Alcohol Awareness Training** – Alcohol awareness training imposes a direct and significant burden on the industry. Such training programs include training directly related to brick-and-mortar retail sales that is not relevant to the delivery of alcohol. Although the cost of a state approved training program (usually \$40.00) is a reasonable expense for an employee, it is a significant expense for an independent contractor who may only work for a short period of time of for a few hours a week. **[Companies offering Alcohol Awareness training confirmed that online classes are offered within their programs.]**
 - B. **Locked Cargo Area** – The requirement that the liquor to be delivered must be transported in a locked cargo area of the vehicle. This seems unnecessary as the alcoholic beverages are in the manufacturer’s original sealed containers. Some vehicles do not have a locked cargo area. **[The proposed ordinance was revised to require that the alcohol must be transported in the trunk of the vehicle or kept in some other area of the vehicle not normally occupied by the driver or passengers.]**
 - C. **Other Passengers** – The proposed ordinance prohibits any other passengers from being in the vehicle. This is impractical and would prevent a driver that makes deliveries while running errands with family. **[The proposed ordinance was revised to allow for passengers 21 years of age and older.]**
 - D. **Driver’s License and Vehicle Registration** – There are provisions in state law that allow for out-of-state drivers licenses and vehicle registration to be valid, such as new residents, university students, and seasonal residents. **[No change was made to the ordinance.]**
 - E. **Independent Contractor Driver Business Licenses** – The proposed ordinance requires independent contractor delivery drivers to obtain their own Clark County business license. This places a significant burden on licensees to become the enforcers of this requirement, requiring that the licensee ensure that each independent contractor holds such a license. **[No change was made to the ordinance.]**
 - F. **Record retention** – The proposed ordinance requires certain records to be retained for a period of four years. In order to provide consistency with other record retention requirements in the County Code, the responders suggested this requirement be revised to three years. **[No change was made to the ordinance.]**
 - G. **Responsibility for Drivers** – The requirement that each licensee is responsible for the actions of the delivery drivers is overbroad. The concern is that this could

unintentionally create liability for the licensees for actions of independent contractors, even actions that may be entirely unrelated to any delivery. **[No change was made to the ordinance.]**

Response #2 – Walmart and Whole Foods – (Attachment #4)

A joint response dated June 17, 2024, was received from two grocery store businesses strongly supporting expanding alcohol beverage delivery opportunities. The responders stated specific provisions in the proposed ordinance that they believe will present significant operational challenges that will effectively prohibit third-party delivery in Clark County.

- 1) The commenters believe the requirement that delivery personnel obtain work cards is impractical and unnecessary. Most delivery personnel will be independent contractors and existing County Code only contemplates work cards for employees of certain businesses. Also, many delivery drivers may deliver for multiple delivery platforms which makes it difficult to obtain a work card referral from any particular company as their employer. **[The Las Vegas Metropolitan Police Department will allow the Department of Business License to issue referrals. Work card holders may add all additional platforms online.]**
- 2) Delivery of alcohol should be restricted only to resort hotels and not to all H-1 (now known as CR - Commercial Resort) zoned property. **[The Nevada Resort Association requested that no liquor deliveries be made to any location within a CR zone except by grocery stores as currently permitted by Clark County Code.]**
- 3) Clarity is needed regarding interjurisdictional deliveries. The proposed ordinance is unclear regarding the requirements for a delivery originating from a licensed retailer in a neighboring jurisdiction to a customer located in the unincorporated County. **[The ordinance was revised to include provisions to allow properly licensed grocery stores and liquor stores located in adjacent jurisdictions to delivery alcohol into unincorporated areas of the County.]**
- 4) The following additional delivery requirements impose direct and significant economic burdens and would directly restrict the operations or expansion of business.
 - A. **Alcohol Awareness Training** – Alcohol awareness training imposes a direct and significant burden on the industry. Such training programs include training directly related to brick-and-mortar retail sales that is not relevant to the delivery of alcohol. Although the cost of a state approved training program (usually \$40.00) is a reasonable expense for an employee, it is a significant expense for an independent contractor who may only work for a short period of time of for a few hours a week. **[Companies offering Alcohol Awareness training confirmed that online classes are offered within their programs.]**

- B. **Locked Cargo Area** – The requirement that the liquor to be delivered must be transported in a locked cargo area of the vehicle. This seems unnecessary as the alcoholic beverages are in the manufacturer’s original sealed containers. Some vehicles do not have a locked cargo area. **[The proposed ordinance was revised to require that the alcohol must be transported in the trunk of the vehicle or kept in some other area of the vehicle not normally occupied by the driver or passengers.]**
- C. **Other Passengers** – The proposed ordinance prohibits any other passengers from being in the vehicle. This is impractical and would prevent a driver that makes deliveries while running errands with family. **[The proposed ordinance was revised to allow for passengers 21 years of age and older.]**
- D. **Driver’s License and Vehicle Registration** – There are provisions in state law that allow for out-of-state driver’s licenses and vehicle registration to be valid, such as new residents, university students, and seasonal residents. **[No change was made to the ordinance.]**
- E. **Independent Contractor Driver Business Licenses** – The proposed ordinance requires independent contractor delivery drivers to obtain their own Clark County business license. This places a significant burden on licensees to become the enforcers of this requirement, requiring that the licensee ensure that each independent contractor holds such a license. **[No change was made to the ordinance.]**
- F. **Record retention** – The proposed ordinance requires certain records to be retained for a period of four years. In order to provide consistency with other record retention requirements in the County Code, the responders suggested this requirement be revised to three years. **[No change was made to the ordinance.]**
- G. **Responsibility for Drivers** – The requirement that each licensee is responsible for the actions of the delivery drivers is overbroad. The concern is that this could unintentionally create liability for the licensees for actions of independent contractors, even actions that may be entirely unrelated to any delivery. **[No change was made to the ordinance.]**

Response #3 – Nevada Resort Association – (Attachment #5)

A response dated June 17, 2024, was received from the Nevada Resort Association expressing a number of concerns regarding liquor delivery to the resort corridor, such as the potential for increased incidence of underage drinking, adverse impacts to existing privileged gaming or liquor licensees, safety and security issues, and increased traffic congestion. A recommendation was made to revise Section 8.20.360(14)(b) to prohibit a grocery store from delivery alcohol to a

residence located within any location licensed for the retail sale of beer, wine, and liquor or the retail sale of package liquor or package beer and wine.

Other recommendations made by the responder included:

- 1. a liquor delivery support service should be required to complete a background investigation and obtain a finding of suitability;
- 2. prior to accepting any delivery orders, a grocery store, liquor store or liquor delivery support service provide to the Department a policy with procedures to ensure that liquor is not being delivered to prohibited locations; and
- 3. the zoning district be added to the information required to be included in the delivery log.

Response #4 – Joan Wilks – (Attachment #6)

A response dated June 8, 2024, was received from an individual stating that they are opposed to the sale of liquor closer than 1500 feet from a church or school.

Public availability of the Proposed Ordinance and Business Impact Statement:

Upon request, a copy of the proposed ordinance and Business Impact Statement can be obtained from the Clark County Department of Business License and such requests should be sent to:

Clark County Department of Business License
 Chapters 8.20 & 8.24
 500 S. Grand Central Pky., 3rd Flr
 Box 551810
 Las Vegas, NV 89155-1810

or a copy may be obtained from the following website:

www.clarkcountynv.gov/businesslicense.

Number of businesses likely to be affected by the proposed ordinance:

The number of licensed grocery stores with a liquor license is slightly over 100, less than 100 licensed package liquor stores and a small number of food/beverage delivery platforms licensed in the County that could potentially be affected by this ordinance. The number of liquor support delivery drivers is unknown.

The following chambers of commerce and trade associations were notified of the proposed rule:

Chamber of Commerce

African Chamber of Commerce and Tourism
American Vietnamese Chamber
Armed Forces Chamber of Commerce
Asian Chamber
Boulder City Chamber
Filipino American Chamber of Commerce of Greater Nevada
Gay and Lesbian Chamber of Commerce
Henderson Chamber of Commerce
Indian Chamber
Korean American Chamber of Commerce, Nevada
Korean Chamber
Las Vegas Asian Chamber of Commerce
Las Vegas Health & Fitness Chamber of Commerce
Las Vegas Wedding Chamber of Commerce
Latin Chamber
Laughlin Chamber
Mesquite Chamber
Moapa Valley Chamber
Native American Chamber of Commerce
Peruvian Chamber of Commerce
Sin City Chamber
Southern Nevada Veterans Chamber of Commerce
Urban Chamber
Vegas Chamber
Ward 5 Chamber of Commerce Las Vegas
Women's Chamber

Trade Associations

ABC (Associated Builders and Contractors)
Building Owners and Managers Association
Certified Commercial Investment Member Association of Southern Nevada
Clark County Association of Health Underwriters
Clark County Medical Society
Commercial Alliance Las Vegas
Greater Las Vegas Association of Realtors
Las Vegas Hospitality Association
NAIOP (National Association for Industrial and Office Parks)
Nevada Banking Association
Nevada Broadcasters Association
Nevada Business Aviation Association
Nevada Farmers Bureau

Nevada Franchised Auto Dealers Association
Nevada Homebuilders Association
Nevada Hospital Association
Nevada Hotel and Lodging Association
Nevada Legal Services
Nevada Manufacturers Association
Nevada Mining Association
Nevada Petroleum Marketers and Convenience Store Association
Nevada Press Association
Nevada Professional Facility Managers Association
Nevada Resort Association
Nevada Restaurant Association
Nevada Rural Electric Association
Nevada Rural Hospital Partners
Nevada Society of Certified Public Accountants
Nevada Subcontractors Association
Nevada Taxpayers Association
Nevada Telecommunications Association
Nevada Trucking Association
NFIB (National Federation of Independent Businesses)
Public Relations Society of America, Las Vegas Valley Chapter
Realtors
Retail Association of Nevada
Southern Nevada Homebuilders Association
Work Health Solutions

Summary of any workshop(s) held pursuant to NRS 237.080(5):

The County received a request for a workshop from one trade associations pursuant to NRS 237.080(5). However, not having received a request from two or more local chambers of commerce and/or trade associations, no workshop was conducted.

The estimated economic effect of the proposed ordinance or rule on businesses:

1. Adverse effects

The proposed ordinance may negatively impact the sales revenue of grocery stores and liquor stores that do not offer delivery services.

2. Beneficial effects

The proposed ordinance would allow grocery stores, liquor stores and liquor delivery support services to deliver alcohol to customers under certain conditions. This is a convenience to the customers of grocery and liquor stores that may be ordering other nonalcoholic products for delivery.

3. Direct effects

Liquor delivery is currently not permitted by liquor stores or third-party support businesses under the Clark County Code. The proposed ordinance would allow liquor stores and third-party support businesses to deliver alcohol to certain customers thereby eliminating the need for the customer to travel to the store to purchase such products. The proposed ordinance also prohibits any liquor licensee to employ any minor person to sell or handle any alcoholic liquor of any kind, except that grocery store, shopping center and supermarket licensees that provide a “box-boy” or other transfer service may allow a minor person to carry or transfer alcoholic liquors from the store to the vehicle of the purchaser.

4. Indirect effects.

By allowing a legal method in which grocery stores, liquor stores and liquor delivery support businesses may delivery alcohol to customers in Clark County, additional revenue may be realized by these businesses.

5. Other economic effects to be considered.

No other economic effects were identified.

Description of the methods that local government considered to modify the proposed ordinance or rule; or otherwise reduce the impact of the proposed rule on businesses, the parties involved, and a statement of the methods used:

Some responders indicated concern regarding interjurisdictional deliveries and the proposed ordinance was revised to provide for the delivery of alcohol by properly licensed businesses from locations within the incorporated cities in the County to customers within unincorporated Clark County. In order to address other concerns of some of the responders, the proposed ordinance was also revised to allow for passengers 21 years of age or older to be in the vehicle when delivering alcohol and to allow the alcoholic liquor that is being transported to be kept in the trunk of the vehicle or in some other area of the vehicle not normally occupied by the driver or passengers.

The estimated cost to the local government for the enforcement of the proposed ordinance or rule:

It is anticipated that the enforcement of this proposed ordinance will be absorbed by current staff.

If applicable, explanation of a new fee or increase to an existing fee including a projection of the annual revenue expected to be collected and the manner in which the revenue will be utilized:

The proposed ordinance establishes an annual fee of \$1,500.00 for each liquor delivery support service business license. The fees collected would go to the County General Fund to offset the cost for enforcement of this ordinance.

Assessment of provisions of the proposed ordinance or rule, which may duplicate or are more stringent than Federal, State or local standards regulating the same activity:

The proposed amendments do not duplicate and are not more stringent than Federal, State or local standards.

If applicable, explanation of why the duplicative or more stringent provisions are necessary:

Not applicable.

The reasons for the conclusions regarding the impact of the proposed rule on businesses:

The provisions in the proposed ordinance are necessary to provide for a consistent treatment of like businesses and are in compliance with state law.

Certification of Business Impact Statement

Pursuant to NRS 237.090 (2), I, Kevin Schiller, as County Manager for Clark County, Nevada, hereby certify that, to the best of my knowledge and belief, the information contained in this statement was prepared properly and is accurate.



Kevin Schiller
County Manager

9-18-2024

Date