

CLARK COUNTY, NEVADA

Business Impact Statement

(NRS 237.090)

Clark County Code Title 8, Chapter 8.20 (Liquor License Regulations)

Upon request, a copy of the 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
Chapter 5.02
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.

Description of the proposed ordinance or rule:

The proposed amendments to Chapter 8.20 will:

1. Allow the Internet sale and delivery of alcohol by a liquor store.
2. Require the delivery of alcohol to a customer of a grocery store or liquor store to be made by an employee of the grocery store or liquor store.
3. Allow the delivery of alcoholic beverages to customers located in adjacent incorporated cities within the County if the grocery store or liquor store is in compliance with the applicable delivery regulations of that jurisdiction.
4. Prohibits the delivery of alcoholic beverages to any person located on the premises of a resort hotel.
5. Prohibits the delivery of alcoholic beverages sold by a grocery store or a liquor store by a third-party delivery 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: (a) to allow liquor stores to deliver alcoholic beverages to its customers beyond the temporary authority that has been granted to them during the COVID pandemic, (b) to prohibit delivery of alcoholic beverages by a grocery store or a liquor store to a

person located on the premises of a resort hotel, and (c) prohibit delivery of alcoholic beverages by a third-party delivery service.

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

Work group meetings were held on March 24, 2021, May 6, 2021, and June 17, 2021, with the stakeholders to discuss package liquor delivery and to receive any suggestions for consideration for amendments to the County Code. After receiving suggestions at the work group meetings and after being directed by the Board of County Commissioners on July 20, 2021, to prepare an ordinance, the County sent, on August 10, 2021, a Notification of Proposed Amendments to Clark County Code, Title 8, Chapter 8.20 (Notification Letter, Attachment #1) to licensees of grocery stores, liquor stores, resort hotels, food delivery companies, chambers of commerce and other interested parties. The Notification Letter 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:

Public comments were received by the Department of Business License through written correspondence and discussions between staff and stakeholders.

**COMMENTS RECEIVED DURING THE BUSINESS IMPACT STATEMENT
COMMENT PERIOD OF**

AUGUST 11, 2021 THROUGH SEPTEMBER 7, 2021

The following comments were received in response to a notification letter that was sent to the stakeholders and interested parties dated August 10, 2021, regarding the proposed ordinance:

RESPONSE #1 – Jason Horwitz (Liquor store owner) – (Attachment #2)

1. During the COVID shutdown liquor stores needed assistance by allowing them to delivery alcohol, but now there are no liquor stores suffering.
2. The ordinance is much too vague and difficult to enforce.
3. The delivery vehicles should be registered to the business, insured by the business and display the company logo. Employees making deliveries should be uniformed.
4. Delivers should only be made to residences.

RESPONSE #2 – Jennifer Lazovich (Kaempfer Crowell / Albertsons) – (Attachment #3)

1. This law firm represents Albertsons grocery stores and is opposed to the ordinance that would prohibit liquor delivery from a grocery store by a third party. However, it does not

oppose allowing liquor stores to sell liquor over the Internet or delivery of alcohol from a liquor store to a customer.

2. In some instances, Albertsons uses its own employees for delivery and in other instances Albertsons relies on a third party for delivery. This proposed ordinance removes the flexibility of Albertsons locations in the County from determining how best to serve its customers.

RESPONSE #3 – Laura Curtis (DoorDash) – (Attachment #4)

1. DoorDash is opposed to the ordinance that would prohibit liquor delivery from a grocery store or a liquor store by a third party.
2. DoorDash has invested significant resources to ensure safe and responsible alcohol delivery in hundreds of jurisdictions across the country and its alcohol delivery process includes many safeguards, including ID-verification technology and detailed alcohol training protocol.

RESPONSE #4 – Virginia Valentine (Nevada Resort Association) – (Attachment #5)

1. The Nevada Resort Association (NRA) supports the recommendation that deliveries of alcohol to resort hotels with nonrestricted gaming licenses be prohibited.
2. The ordinance is unclear as to whether grocery stores and liquor stores may deliver to non-resort locations such as, public rights-of-way within the resort corridor, non-gaming locations, large scale public and private convention centers, stadiums and arenas, and businesses with existing privileged liquor license operations. The NRA opposes liquor to the foregoing locations in the resort corridor.
3. The NRA is in support of prohibiting third-party deliveries.
4. There should be strong enforcement and effective penalties to ensure compliance.

RESPONSE #5 – Jacqueline P. Flug (Drizly) – (Attachment #6)

1. Drizly connects consumers of legal drinking age with licensed local retailer and strongly supports the local liquor stores to deliver alcohol to its customers.
2. Ms. Flug states that in the past 12 months, 40,000 people have visited the Drizly website and app attempting to order alcoholic beverages for deliver, which indicates a consumer demand for this service.
3. The response states that the ordinance creates a system of record keeping and compliance that surpasses the standards for in-store sales.

RESPONSE #6 – Rony Shamoun (Liquor World) – (Attachment #7)

Liquor World would like to move forward and agrees to the changes in the ordinance.

RESPONSE #7 – E. Leif Reid - (Lewis Roca Rothberger Christie / Southern Glazer's Wine and Spirits, LLC) – (Attachment #8)

1. Senate Bill 307 (2021) authorizes delivery of alcoholic beverages by a retail liquor store or a delivery support service acting on behalf of a retail liquor store.

2. The proposed amendment to County Code excludes delivery support service providers, which appears to be inconsistent with SB 307.
3. The proposed amendment requires that deliveries of alcohol may only be delivered to customers within unincorporated Clark County, except that deliveries may be made to customers in adjacent jurisdictions in compliance with the delivery regulations of that jurisdiction. This may not fully comport with SB 307 that requires the Department of Taxation to adopt regulations prescribing the area in which such deliveries may be made, which must take into account relevant local jurisdictions and the marketing area of the wholesaler.

RESPONSE #8 – Cameron Demetre (TechNet) – (Attachment #9)

1. TechNet is a national, bipartisan network of innovation economy CEOs and senior executives.
2. TechNet opposes the ban on third-party delivery of alcohol.
3. To continue to grow the technology industry in Nevada, it is imperative that policymakers continue to advance a pro-innovation business climate.

RESPONSE #9 – Ryan Bissett (Whole Foods Market (WFM)) – Attachment #10)

1. WFM strongly supports the expansion of beverage alcohol retailer privileges to include the ability to deliver alcohol products to customers' homes.
2. WFM already uses the services of Amazon to deliver other retail and grocery items in Clark County and WFM uses Amazon and other third parties to deliver alcohol safely and responsibly in many other jurisdictions in the U.S.
3. WFM supports third party delivery for the following reasons:
 - a. Compliance – App-based technology and strict policies and procedures allow for safe delivery of alcohol in compliance with all applicable laws and regulations, including the prevention of deliveries to minors.
 - b. Reduced costs/Customer convenience – Third-party delivery companies have the infrastructure in place to significantly lower the costs of delivery to customers' homes.
 - c. Consistency between jurisdictions – WFM has multiple locations in the Las Vegas valley and wish to provide the same access to customers in other jurisdictions. WFM supports conforming the County Code with Senate Bill 307 (2021) and the recently adopted ordinance by the City of Las Vegas.

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

1. Adverse effects

The proposed ordinance will prevent grocery stores and liquor stores from delivery alcoholic beverages to persons located on the premises of a resort hotel. It will also prohibit alcoholic beverages sold by a grocery store or liquor store to be delivered by a third-party deliver service to persons within unincorporated Clark County.

2. Beneficial effects

The proposed ordinance will allow liquor stores to continue delivering alcohol beyond the temporary authority that currently allows them to make such deliveries.

3. Direct effects

The direct effects of the proposed amendments are that liquor stores will retain their ability to deliver alcohol to its customers after the current temporary authorization expires. Monitoring alcohol deliver activity of a grocery store or liquor store and any related enforcement would be easier if the grocery store or liquor store were in control of the sales transaction from ordering to ultimate delivery to the customer.

4. Indirect effects.

By requiring that grocery stores and liquor stores use their own employees to deliver alcohol to its customers the grocery stores and liquor stores have greater control and greater responsibility for the safe delivery of alcohol. Smaller grocery stores and liquor stores may not be able to use employees to deliver alcohol to their customers as it may be not economically feasible. Prohibiting the delivery of alcohol to persons located on the premises of resort hotels may reduce traffic in already congested areas.

5. Other economic effects to be considered.

No other economic effects were identified.

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

It is not anticipated that the Department will incur any additional costs associated with the enforcement of the proposed ordinance.

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

It is not anticipated that the Department will incur any additional costs associated with the administration of the proposed ordinance.

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:

This Proposed Ordinance does not create any new fees, nor does it increase any existing fees.

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:

There are no provisions of this Proposed Ordinance that are duplicative nor more stringent than Federal, State or local standards, except for the provision prohibiting third-party deliver services from being able to deliver alcohol sold by grocery stores and liquor stores, which is more restrictive than Section 4.7 of Senate Bill 307 of the 2021 Nevada State Legislative Session and is more restrictive than provisions recently adopted by the City of Las Vegas.

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

The County believes that is necessary to prohibit the delivery of alcohol by third parties in order to provide better control of the product and to prevent distribution of alcohol to minors.

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:

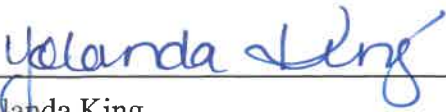
After consideration of the comments received and consideration of any potential impacts on businesses based on information available to the County, it was determined that the benefit to the public outweigh any additional costs of grocery stores or liquor stores.

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

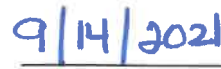
In order to ensure the health and safety of the public and the prevention of access to alcohol by minors we feel that the provisions in the Proposed Ordinance are necessary.

Certification of Business Impact Statement

I certify that, to the best of my knowledge or belief, the information contained in this Business Impact Statement was prepared properly and is accurate.



Yolanda King
County Manager



Date