

Senate Bill No. 22—Committee on Revenue
and Economic Development

CHAPTER.....

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:

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

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

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

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

Section 1. NRS 369.190 is hereby amended to read as follows:
369.190 1. An application for any of the licenses described in
NRS 369.180 must be made to ~~the~~:

(a) *The* board of county commissioners of the county in which
the applicant maintains his or her principal place of business ~~if~~ *if*



the applicant does not maintain his or her principal place of business within the boundaries of an incorporated city; or

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

2. Each application must:

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

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

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

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

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

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

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

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

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

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

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

369.200 1. The board of county commissioners *or the governing body of a city, as applicable*, shall approve or disapprove applications. If an application is disapproved by the board of county commissioners *H or the governing body of a city*, the board *or the governing body, as applicable*, forthwith shall return the license fee accompanying the application to the applicant. If the board of county commissioners *or the governing body of a city* approves an



application, the board *or the governing body, as applicable*, shall forward it to the Department, together with the board's *or the governing body's* written approval thereof and the license fee accompanying the application.

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

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

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

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

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

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

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

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

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

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

369.240 1. Upon the filing with the board of county commissioners of the county in which a licensee maintains his or her principal place of business *or with the governing body of the city in which the licensee maintains his or her principal place of business if the licensee maintains his or her principal place of business within an incorporated city* of a verified complaint charging the licensee with the commission, within 1 year prior to the date of filing the complaint, of any act which is cause for suspension or revocation of a license, the board of county commissioners *or the governing body, as applicable*, forthwith shall issue a citation directing the licensee, within 10 days after service thereof upon him



or her, to appear by filing with the board of county commissioners *or the governing body, as applicable*, a verified answer to the complaint showing cause, if any he or she has, why his or her license should not be suspended or revoked. Service of the citation with a copy of the complaint shall be made upon the licensee as provided by the Nevada Rules of Civil Procedure for the service of process in civil actions.

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

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

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

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

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

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

3. The board of county commissioners *or the governing body of a city, as applicable*, shall give to the complainant and to the



licensee, or their respective attorneys, notice of such recommendation, by mail, in the same manner as prescribed in this chapter for the giving of notice of hearing.

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

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

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

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

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

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

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

369.280 1. Notwithstanding any other provision of this chapter, the board of county commissioners *or the governing body of a city, as applicable*, shall have the right to suspend or revoke summarily any license in cases appearing to it to be of an aggravated and flagrant violation of law.

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

3. The hearing before the Department shall be had on reasonable notice of time, place and subject matter to the licensee and the board of county commissioners ~~or~~ *or the governing body of a city, as applicable*, and the Department shall decide the matter



without delay by either confirming, modifying or setting aside the action of the board of county commissioners ~~H~~ *or the governing body, as applicable.*

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

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

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

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

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

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

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

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

~~2-1~~ 3. If any license is issued at any time during the year other than by July 15, the fee shall be for that proportionate part of the year that the license will be in effect, which in any event shall be for not less than one quarter of a year.

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



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

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

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

