



# CITY OF FERNLEY

## CITY COUNCIL AGENDA REPORT

Meeting Date: February 3, 2021

<b>REPORT TO:</b>	Mayor and City Council
<b>REPORT THRU:</b>	Daphne Hooper, City Manager
<b>REPORT FROM:</b>	Kim Swanson, City Clerk
<b>REVIEWED BY:</b>	Brandi Jensen, City Attorney
<b>REVIEWED BY:</b>	Denise Lewis, City Treasurer

<b>FINANCIAL IMPACT:</b> Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	<b>CURRENTLY BUDGETED:</b> Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	<b>FUND/ACCOUNT:</b>
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**ACTION REQUESTED:**  Consent  Ordinance  Resolution  Motion  Receive/File

**AGENDA ITEM: Staff Report (For Possible Action):**  
Discussion and possible action to introduce Bill 291, as an ordinance modifying Fernley Municipal Code, Title 4 Liquor.

**Agenda Item Brief:**  
Staff is requesting City Council to introduce Bill #291, updating Fernley Municipal Code with changes listed under Project Summary.

**Recommended Motion:**  
"I move to introduce Bill 291, as an ordinance modifying Fernley Municipal Code Title 4 Liquor, updating definitions; expanding classes of license; requiring a liquor policy to prevent sales to minors; removing quarterly payments and grace period; updating the revocation, probation and suspension process."

**Business Impact (per NRS Chapter 237):**

A Business Impact Statement is Attached.

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

## **ALTERNATIVES:**

City Council could choose to make additional changes, request additional information, or propose an alternative.

## **PROJECT SUMMARY:**

Staff recommends the following proposed changes to the Liquor Code:

An update to definitions, adding brew pub, craft distillery, growler, on premise and off premise liquor sales. Catering was removed, and Ancillary License was added in its place. Special Event License was removed, and Temporary Liquor License was added in its place. NRS definitions were adopted whenever possible, with the added language "pursuant to the most recently adopted version of NRS" as applicable.

The classes of license have been expanded. Temporary License on transfer of ownership has been updated to Provisional License with conditions. Complimentary Liquor Beverage License has been added. With conditions, this license permits on-premise consumption of complimentary alcoholic beverages.

A requirement for a Liquor Policy to prevent sales to minors has been included.

The quarterly payments and the grace period have been removed. The late penalty has been changed from 25 to 50%.

The revocation, probation and suspension process has been updated to match that of the Business License Code.

Legal analysis was completed for inconsistencies, duplications, proper grammar and conflicts. The new version of the code includes those changes.

## **BACKGROUND:**

City Council approved Ordinance 2012-001 on January 18, 2012 which added Liquor License Regulations to Fernley Municipal Code Title 3, Business License Regulations. No updates have been done to the liquor code since it was adopted, the proposed draft is the outcome of a thorough revision of the code, which makes it more applicable and enforceable in today's business world.

The current version of the Liquor Code does not have a clear, legal process to follow when liquor related violations occur. It can take the City Clerk's office numerous attempts and multiple months to bring offenders into compliance with liquor license regulations. The Liquor License is a privilege license and currently, staff feels the penalty fees are not reflective of this type of license. There have been instances where the liquor license holders did not renew their license on time and staff feels the current penalty charge is not enough of a deterrent for repeat offenders. The current code does not allow the department to collect appropriate fees to allow the City to cover the resources that have been utilized to bring offenders into compliance.

## **LEGAL IMPLICATIONS:**

## **ANALYSIS:**

Staff has identified opportunities for improvement in the Section of Liquor License Regulations of the Municipal Code.

## **FINANCIAL IMPLICATIONS:**

With these changes staff will be able to collect fees that would allow the City to cover the cost of resources used to bring business into compliance.

**ATTACHMENTS:**

FMC Title 4 Alcohol.