

EXPLANATION: Matter underlined is new; matter in brackets and stricken [--] is material to be repealed.

BILL NO. \_\_\_\_

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE TO AMEND TITLE 5 OF THE RENO MUNICIPAL CODE ENTITLED "PRIVILEGED LICENSES, PERMITS AND FRANCHISES," BY AMENDING CHAPTER 5.05 ENTITLED "LICENSES GENERALLY", TO CLARIFY WORK CARD APPLICATION, ISSUANCE, REGULATION OF ADULT INTERACTIVE CABARET WORK CARDS, AND WORK CARD HOLDER RESPONSIBILITIES; AND OTHER MATTERS PROPERLY RELATING THERETO.**

**SPONSORED BY:**

**THE CITY COUNCIL OF THE CITY OF RENO DOES ORDAIN:**

**SECTION 1.** Title 5, Chapter 5.05, §§ 5.05.005, 5.05.008 to 5.05.014, inclusive, of the Reno Municipal Code is hereby modified to read as follows:

**Sec. 5.05.005. - Purpose and short title.**

This title regulates those activities which are found by the city to require a higher demand of city services by affecting the economic, social, health and general [~~moral~~] well-being of the city and its residents. The activities have commonly been referred to as "privileged" and must comply with this title which shall be known as the privileged licenses and permits code.

**Sec. 5.05.008. - General requirements.**

- (a) Every person submitting an application for a privileged business license specified in subsection (f) below is subject to a background investigation to determine suitability for the license, including an FBI fingerprint-based investigation prior to the issuance of any license. An interim license may be issued as specified in subsection (h) below.

A background investigation conducted by the city may be considered valid for 24 months as it relates to the requirements of this chapter unless otherwise set forth herein. If an applicant has received a privileged license pursuant to this chapter and, within 24 months, subsequently submits another application for a privileged license, then the city reserves the right to conduct a criminal case record check of local criminal justice agencies to confirm that the applicant has not been arrested or convicted for any offense that would preclude them from passing any complete fingerprint based background investigation.

- (b) No business license may be issued until the prescribed license fee, and any fingerprint and investigation fees, have been paid to the city.

- (c) An applicant for a business license specified in subsection (f) below shall submit all information required for a background check to the police department.
- (d) Pursuant to NRS 239B.010(1)(a) and P.L. 92-544, the police department is authorized to submit the fingerprints of an applicant for a business license specified in subsection (f) below, plus any required fees and any information required for the background check, to the Central Repository for Nevada Records of Criminal History for a statewide background check and for submission by the Central Repository to the FBI to obtain the FBI nationwide background check of the applicant. The Nevada Department of Public Safety is hereby authorized to exchange such fingerprint data with the FBI for purposes of the background check.
- (e) Failure of an applicant for a business license set forth in subsection (f) below to submit to fingerprinting or to provide information required by this section is grounds for denial of the application.
- (f) An applicant for any of the following business licenses shall comply with the provisions of this section and any other FBI or police department requirements necessary to obtain a FBI nationwide background check:
  - ~~[(1)Adult interactive cabaret (RMC Chapter 5.06);]~~
  - (1) ~~[(2)]~~Alcohol service and sales (RMC Chapter 5.07);
  - (2) ~~[(3)]~~Pawnbrokers and secondhand dealers (RMC Chapter 5.08);
  - (3) ~~[(4)]~~Auctions and auctioneers (RMC Chapter 5.09);
  - (4) ~~[(5)]~~Escort and outcall services (RMC Chapter 5.10);
  - (5) ~~[(6)]~~Peddlers, solicitors and temporary merchants (RMC Chapter 5.12);
  - (6) ~~[(7)]~~Sidewalk vendors (RMC Chapter 5.15);
  - ~~[(7)]~~ ~~[(8)]~~Towing and booting companies (RMC Chapter 5.16); ~~and~~
  - (8) ~~[(9)]~~Vehicles for hire (RMC Chapter 5.17); and
  - (9) ~~[(10)]~~Tobacco paraphernalia retailers (RMC Chapter 5.19).
- (g) A business license application will be considered properly completed upon submission of all required application materials and information, including payment of all required application and investigation fees. Thereafter, and prior to issuance of a license, review and approval will be obtained from all appropriate agencies which may include, but are not necessarily limited to, building, planning, fire, police, environmental control, city council and relevant district, county and state agencies.
- (h) Thirty days after a properly completed application for a privileged license has been submitted, the applicant may obtain an interim privileged license under the following circumstances:
  - (1) All agency approvals have been obtained except for police;
  - (2) The police department background investigation, or criminal case record check of local criminal justice agencies (for privileged license holder having completed a complete

background investigation as set forth in (a) above), has not been completed and approval not obtained;

- (3) The applicant executes an interim privileged license declaration form;
  - (4) The applicant acknowledges the background investigation delay and stipulates that if the license is ultimately denied, business activity shall immediately cease upon receiving the denial notice.
  - (5) Appropriate conditions or limitations effective during the interim period may be imposed and the applicant shall hold the city harmless from any damages or claims arising out of its operation pursuant to the interim license.
- (i) Any licensee who seeks an additional license for an additional business location is not subject to the 30-day wait for an interim license, if the present business location is being operated in accordance with the requirements of the Reno Municipal Code and has no history of violations.
  - (j) The police department shall, upon completion of the background investigation, recommend approval or denial of the application and forward its recommendation to the city license office. If an applicant is denied a license after investigation, the investigation fees shall not be returned to the applicant. The recommendation for denial of an application must be based upon good cause which includes but is not limited to:
    - (1) The application is incomplete or contains false, misleading or fraudulent statements.
    - (2) The applicant fails to satisfy any qualification or requirement imposed by this title, local, state or federal law, regulation or administrative policy pertaining to such activities.
    - (3) The applicant has been subject, in any jurisdiction, to administrative action of any kind imposing fines or other discipline relating to the operation of a business licensed in the jurisdiction, or denied a license or work card, due to suitability issues.
    - (4) The applicant has engaged in deceptive practices upon the public.
    - (5) The applicant has, within the five years immediately preceding the date of the application, been convicted of any of the following criminal offenses, regardless of the jurisdiction of the conviction:
      - a. A felony or any crime which, under the laws of this state, would amount to a felony;
      - b. Any crime of which theft, fraud or intent to defraud is an element;
      - c. Unlawfully possessing or distributing a controlled substance;
      - d. Solicitation, prostitution, or pandering; or
      - e. Any sex offense requiring the applicant to register under NRS 179D.441 to 179D.470, if the applicant has been classified by the state as a Tier 1 or below ~~[1-3]~~
  - (6) A person who, within the ten years immediately preceding the date of the application, has been convicted of any sex offense requiring the applicant to register under NRS 179D.441 to 179D.470, if the applicant has been classified by the state as a Tier 2 or Tier 3 offender.

- (7) Any cause reasonably related to furtherance of the public welfare.
- (k) License applications for gaming, liquor, medical marijuana establishments, marijuana establishments, pawnbroker, secondhand merchandise, and escort services~~[-and interactive cabaret]~~ must be approved by the city council.
- (l) The holder of a privileged license is, and shall be, liable for any and all acts of his or her employees, while acting within the scope of their employment, and for any violation by them of any of the provisions of Title 4 and ~~[or]~~ Title 5.
- (m) If employees of a privileged business are required to obtain work cards through the Reno Police Department, the holder of the privileged license has a duty to immediately notify the city if any employee having a work card has been convicted of an offense that would disqualify the employee from being issued a work card under RMC section 5.05.011(e). This duty applies if the holder of the privileged license knows or reasonably should know of the conviction.

**Sec. 5.05.009. - Post office box address unacceptable.**

A post office box address is unacceptable on ~~[an]~~ a business license application where a fixed place of business from where the business will be conducted is required. An applicant may identify and designate on his application a post office box address as the address to which he prefers correspondence to be mailed.

**Sec. 5.05.011. - Work cards.**

- (a) Any person employed by each of the following businesses or acting as an independent contractor for any of the following businesses shall be required to obtain a work card, permitting his/her photograph to be taken, have his/her fingerprints taken through the chief of police, and comply with any other FBI or police department requirements necessary to obtain a national background check;
- (1) Booting companies;
  - (2) Escort services;
  - (3) Out call entertainment services;
  - (4) Pawn shops;
  - (5) Secondhand dealers;
  - (6) Towing companies; and
  - ~~(7) Vehicles for hire; and~~
  - ~~(8) Adult interactive cabarets, as set forth in RMC 8.21.040, et seq.~~
- (b) ~~[It is unlawful for any]~~ A business establishment set forth in subsection (a), licensed under this ~~t[Title 5 [of the Reno Municipal Code], [to]~~ shall not employ or contract for services with any person who does not hold a valid work card as required by this ~~[section]~~ chapter.
- (c) Every person submitting an application for a work card pursuant to this title is subject to a background investigation to determine suitability for the work card, and shall submit all

information required by the police department or the FBI. An FBI fingerprint-based investigation must be conducted prior to the issuance of any work card set forth in subsection (a) above.

- (d) Pursuant to NRS 239B.010(1)(a) and P.L. 92-544, the police department is authorized to submit the fingerprints of an applicant for a work card set forth in subsection (a) above, plus any required fees and any information required for the background check, to the Central Repository for Nevada Records of Criminal History for a statewide background check and for submission by the Central Repository to the FBI to obtain the FBI nationwide background check of the applicant. The Nevada Department of Public Safety is hereby authorized to exchange such fingerprint data with the FBI for purposes of the background check.
- (e) It is the duty of the chief of police or designee to investigate the legal qualifications of each applicant for a work card before a permanent work card is granted, to periodically investigate the legal qualifications of each holder of a work card, and to verify that no work card shall be granted to unsuitable persons. The following persons are declared to be unsuitable to be granted or to hold any work card under the provisions of this chapter:
  - (1) A person who, within the five years immediately preceding the date of the application, has been convicted of any of the following criminal offenses, regardless of the jurisdiction of the conviction:
    - a. A felony or any crime which, under the laws of this state, would amount to a felony;
    - b. Any crime of which theft, fraud or intent to defraud is an element;
    - c. Unlawfully possessing or distributing controlled substances;
    - d. Solicitation, prostitution, or pandering; or
    - e. Any sex offense requiring the applicant to register under NRS 179D.441 to 179D.470, if the applicant has been classified by the state as a Tier 1 or below.
  - (2) A person who, within the ten years immediately preceding the date of the application, has been convicted of any sex offense requiring the applicant to register under NRS 179D.441 to 179D.470, if the applicant has been classified by the state as a Tier 2 or Tier 3 offender.
  - ~~[(3) — A person applying for a work card for a position for which the person must be a licensed driver must have and maintain a valid driver's license. Failure to have a valid driver's license is grounds for denial or revocation of a work card.]~~
- (f) A person who applies for a work card, or reports a name change, change of [employer] contact information, or lost or stolen work card, while criminal charges enumerated in subsection (e) are pending, will be issued a temporary work card. The temporary work card will carry, as an expiration date, the date the charges are scheduled to be heard in a court of law. The expiration date will be extended, as necessary, until the criminal charges have been adjudicated. The disposition of the criminal matter will be the determining factor in whether or not a permanent work card is issued. It is the applicant's responsibility to obtain a temporary work card with a new expiration date.

- (g) Providing false ~~[or misleading]~~ information, or omitting required information, will be grounds for denial or revocation of a work card previously issued and/or prosecution as provided in section 1.04.010 of the Reno Municipal Code.
- (h) The police department may investigate through the use of any state or federal law enforcement agencies or through other legal means reasonably available.
- (i) The police department may revoke a work card when the person holding the card is convicted of any offense enumerated in subsection (e) above.
- (j) Upon submitting the application for a work card to the police department, the applicant will be issued a ~~[temporary]~~ work card if no disqualifying information appears on the application. The ~~[temporary]~~ work card will be subject to revocation upon return of the background investigation from the state repository and the FBI, if the return contains disqualifying information. ~~[If no disqualification information is contained in the return from the state repository and the FBI, the applicant will be issued a permanent work card, subject to the conditions contained in this section. The issuance of a temporary work card is conditioned upon the applicant executing a declaration of applicant acknowledging that the work card is temporary and may be revoked immediately if disqualifying information is received from the state repository and/or the FBI.]~~
- (k) Any person denied a work card or who has a work card revoked may make a written application for review to the chief of police. The chief of police or his designee may, having due consideration for the proper protection of the public health, safety, morals, good order and general welfare of the inhabitants of the city, and upon evidence of the good moral character and rehabilitation of the applicant, waive any of the above enumerated restrictions and conditions and grant said work card.
- (l) Any person whose denial or revocation of a work card has been upheld by the chief of police or his designee may appeal the decision of the chief of police or designee in accordance with the procedure set forth in RMC section 4.04.160.
- (m) A permanent work card will be valid for five years from the date of initial application and will expire thereafter. Appeals of adverse decisions or issuance of temporary work cards shall not serve to extend the expiration date. A permanent work card issued prior to the effective date of this ordinance will retain the expiration date in effect when the permanent work card was issued.

**Sec. 5.05.012. – Adult interactive cabaret performer work card.**

- (a) Each adult interactive cabaret employee and adult interactive cabaret performer employed or conducting business as an independent contractor in an adult interactive cabaret, as defined under RMC section 5.06.011, shall obtain an adult interactive cabaret work card as described under this section, and have his/her fingerprints and photograph taken through the chief of police prior to the commencement of work.
- (b) It is the duty of the police chief or designee to investigate the legal qualifications of each applicant for an adult interactive cabaret work card before any such work card is granted, and

to periodically investigate the legal qualifications of each holder of such work card. An adult interactive cabaret performer shall maintain evidence of an active business license. The police chief may investigate through the use of any state or federal law enforcement agencies or through other legal means reasonably available.

- (c) Pursuant to NRS 239B.010(1)(a) and P.L. 92-544, the police department is authorized to submit the fingerprints of an applicant for an adult interactive cabaret work card, plus any required fees and any information required for the background check, to the Central Repository for Nevada Records of Criminal History for a statewide background check and for submission by the Central Repository to the FBI to obtain the FBI nationwide background check of the applicant. The Nevada Department of Public Safety is hereby authorized to exchange such fingerprint data with the FBI for purposes of the background check.
- (d) The chief of police or designee shall deny the issuance or cause the revocation of a work card required under this section for any of the following reasons:
  - (1) The applicant has provided false information, or has omitted required information, with respect to any material fact contained in the application for a work card;
  - (2) The applicant has been convicted of a crime in any state in a five-year period immediately prior to the date of the application for the work card for:
    - a. Solicitation of prostitution, prostitution or pandering;
    - b. Any crime of which theft, fraud or intent to defraud is an element;
    - c. Any crime on the premises of an adult interactive cabaret within the City of Reno;
    - d. Any sex offense requiring the applicant to register under NRS Chapter 179D; or
    - e. Unlawfully possessing or distributing controlled substances.
  - (3) The applicant has violated Code regulations, as set forth in section 5.06.080 (adult interactive cabaret operations), or has had an adult interactive cabaret work card revoked pursuant to this Code, within five years of the date of the current work card application; or
  - (4) The applicant has been denied the issuance or renewal of an adult interactive cabaret work card by the City of Reno, within five years of the date of the current work card application, for any reason set out in subsections (d)(1), (d)(2) or (d)(3) of this section. Denial for grounds set forth in this subsection will not serve to renew or extend the time from previous revocation or denial within which an applicant will be denied a work card.
- (e) Completed work card application. A work card application for an adult interactive cabaret employee and adult interactive cabaret performer employed or conducting business as an independent contractor in an adult interactive cabaret, as defined by RMC section 5.06.011, will be considered properly completed upon submission of all required application materials and information, including submission of fingerprints and payment of all required application fees. The Work Applicant Unit of the Police Department shall issue or deny the work card no later than one full business day from the date of receipt of the properly completed application.

- (f) Denial. An adult interactive cabaret work card shall only be denied for grounds set forth in subsection (d). If denial occurs, the work card applicant shall be notified either personally or by certified mail, mailed to the applicant's address on file with the Work Applicant Unit.
- (1) If the work card is denied, the applicant may request review of the denial by the police chief or designee and shall request review within ten business days of the date of denial. The failure to commence a timely appeal shall be deemed a waiver of any and all objections to the denial. The police chief or designee shall issue a review decision in writing within five business days of the request for review.
    - a. Notification of the review decision shall be provided either personally or by certified mail, mailed to the applicant's address on file with the Work Applicant Unit. Each applicant has the burden to furnish any change of address to the Work Applicant Unit. Notice of the review decision shall officially commence on the day the decision is personally given or the day the decision is deposited into the mail under certification.
    - b. An applicant who seeks to engage in First Amendment expressive conduct and whose denial of a work card has been upheld on review may file or cause to be filed in the district court a petition labeled as a "First Amendment Petition" for judicial review challenging the validity of the revocation or denial of the work card as provided by NRS Chapter 34.
    - c. An applicant who does not seek to engage in First Amendment expressive conduct and whose denial of a work card has been upheld on review may appeal the decision of the chief of police or designee in accordance with the procedure set forth under RMC section 4.04.160.
  - (2) Upon request for review, except as addressed in subsection (f)(3), the applicant shall be issued a temporary work card. The temporary work card will carry an expiration date of thirty days from the date of the request for review.
  - (3) If the work card is denied for grounds set forth in subsection (d)(4), the applicant will not be issued a temporary work card. The applicant may nonetheless pursue review and appeal pursuant to subsection (f)(1).
- (g) Revocation. An adult interactive cabaret work card shall only be revoked for grounds set forth in subsection (d). If revocation occurs, the police chief or designee shall notify the work card holder of such revocation in writing by certified mail, mailed to the work card holder's address on file with the Work Applicant Unit of the Police Department.
- (1) If the work card is revoked, the work card holder may appeal and request review of the revocation by the police chief or designee and shall request such review within ten business days of the date of revocation. The failure to commence such a timely appeal shall be deemed a waiver of any and all objections to the revocation or suspension. The police chief or designee shall issue a review decision in writing within five business days of the request for review.

- a. Notification of the review decision shall be provided either personally or by certified mail, mailed to the work card holder's address on file with the Work Applicant Unit. Each work card holder has the burden to furnish any change of address to the Work Applicant Unit. Notice of the review decision shall officially commence on the day the decision is personally given or the day the decision is deposited into the mail under certification.
  - b. An applicant who seeks to engage in First Amendment expressive conduct and whose revocation of a work card has been upheld on review may file or cause to be filed in the district court a petition labeled as a "First Amendment Petition" for judicial review challenging the validity of the revocation of the work card as provided by NRS Chapter 34.
  - c. An applicant who does not seek to engage in First Amendment expressive conduct and whose denial of a work card has been upheld on review may appeal the decision of the chief of police or designee in accordance with the procedure set forth under RMC section 4.04.160.
- (2) Upon request for review of the revocation, the work card holder shall be issued a temporary work card. The temporary work card will carry an expiration date of thirty days from the date of the request for review.
  - (3) If a work card is revoked, and after appeal has been pursued through final decision or the time for appeal has expired without pursuit of appeal, the City may notify, as applicable to the individual, adult interactive cabaret(s) within the City of Reno that the work card has been revoked.
- (h) Pending charges. While criminal charges enumerated in subsection (d) are pending, a person who applies for a work card, reports a name change, change of contact information, or reports a lost or stolen work card, will be issued a temporary work card. The temporary work card will carry, as an expiration date, the date the criminal charges are scheduled to be heard in a court of law. The expiration date will be extended, as necessary, until the criminal charges have been adjudicated. If disposition of the criminal matter results in work card denial, the applicant may pursue review and appeal pursuant to subsection (f)(1). It is the applicant's responsibility to obtain a temporary work card with a new expiration date.
  - (i) Validity. A permanent work card will be valid for five years from the date of initial application and will expire thereafter. Appeals of adverse decisions or issuance of temporary work cards shall not serve to extend the expiration date. A permanent work card issued prior to the effective date of this ordinance will retain the expiration date in effect when the permanent work card was issued. A work card issued under this section does not satisfy work card requirements for persons otherwise employed by or acting as an independent contractor for the businesses identified under RMC section 5.05.011.

**Sec. 5.05.013. - Change of information; ~~applicant~~work card holder responsibilities.**

A work card holder shall be responsible for informing the police department of any change in work card information. ~~[It is unlawful for any]~~Every person~~[,]~~ required by this title to hold a valid work card~~[, to fail to]~~ shall notify the police department within five business days of any change of name, ~~[or]~~ change of ~~[employer]~~ contact information or ~~[to notify the police department when a]~~ loss or theft of the work card. ~~[has been lost or stolen or has expired. The holder of such work card,~~  
~~upon]~~ Upon payment of the applicable fees, the holder of such work card will be issued a replacement work card, unless ~~[the provisions of section 5.05.011(e) or (e) apply. ]~~otherwise restricted pursuant to this chapter. A change of information or reissuance of a work card shall not serve to extend the expiration date.

**Sec. 5.05.014~~[2]~~. – Work cards to be in possession.**

- (a) Every person required by this title to hold a valid ~~[to have a]~~ work card ~~[under this title]~~ is required to carry such work card with him or her, or have such work card immediately accessible to him or her, whenever he or she is engaged in the activity for which such a work card is required.
- (b) For purposes of production of the work card upon authorized request, an adult interactive cabaret business may hold the adult interactive cabaret work card for an adult interactive cabaret employee or adult interactive cabaret performer conducting work as an independent contractor while that individual is providing services on the business property. The business shall return the work card to said individual at the conclusion of that individual’s provision of services or earlier if requested by the individual.

**SECTION 2.** The Reno City Council hereby finds that this ordinance is subject to the requirements of NRS Chapter 237, Business Impact Statement process.

**SECTION 3.** This Ordinance shall be in effect from and after its passage, adoption and publication in one issue of a newspaper printed and published in the City of Reno.

**SECTION 4.** Should any section, clause, or provision of this Ordinance be declared by a court of competent jurisdiction to be unconstitutional or invalid, that decision shall not affect the validity of the ordinance as a whole or any part thereof other than the part declared to be unconstitutional or invalid.

**SECTION 5.** The City Clerk and Clerk of the City Council of the City of Reno is hereby authorized and directed to have this Ordinance published in one issue of the Reno-Gazette Journal, a newspaper printed and published in the City of Reno.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2018, by the following vote of the Council:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
MAYOR OF THE CITY OF RENO

ATTEST:

\_\_\_\_\_  
CITY CLERK AND CLERK OF THE CITY COUNCIL  
OF THE CITY OF RENO, NEVADA

EFFECTIVE DATE:

DRAFT