

NYE COUNTY AGENDA INFORMATION FORM

Action Presentation Presentation & Action

| | | |
|---|--------------|----------------------------|
| Department: County Manager | Agenda Date: | |
| Category: Regular Agenda Item | May 16, 2017 | |
| Contact: Pam Webster | Phone: | Continued from meeting of: |
| Return to: | Location: | Phone: |
| Action requested: (Include what, with whom, when, where, why, how much (\$) and terms) Discussion and deliberation to accept a Business Impact Statement prepared pursuant to NRS 237.090 to address the business impact of Nye County Bill No. 2017-13 pertaining to Prostitution. | | |
| Complete description of requested action: (Include, if applicable, background, impact, long-term commitment, existing county policy, future goals, obtained by competitive bid, accountability measures) | | |
| Any information provided after the agenda is published or during the meeting of the Commissioners will require you to provide 20 copies: one for each Commissioner, one for the Clerk, one for the District Attorney, one for the Public and two for the County Manager. Contracts or documents requiring signature must be submitted with three original copies. | | |
| Expenditure Impact by FY(s): (Provide detail on Financial Form) | | |
| <input type="checkbox"/> No financial impact | | |

Routing & Approval (Sign & Date)

| | | | |
|---------|------|--------------------|---|
| 1. Dept | Date | 6. | Date |
| 2. | Date | 7. HR | Date |
| 3. | Date | 8. Legal | Date |
| 4. | Date | 9. Finance | Date |
| 5. | Date | 10. County Manager | <input checked="" type="checkbox"/> Place on Agenda |

Board of County Commissioners Action

| | | |
|-----------------------------------|--------------------------------------|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Disapproved | <input type="checkbox"/> Amended as follows: |
| | | |
| Clerk of the Board | Date | |

ITEM # 33



Business Impact Statement for Ordinance Amendment

Nye County Code Chapter 9.20 – PROSTITUTION

Comment Solicitation: March 31, 2017

Comment Period Closes: April 21, 2017

Public Meeting: May 16, 2017

The following business impact statement was prepared pursuant to NRS 237.090 to address the proposed amendment to Chapter 9.20 of the Nye County Code, amending the Prostitution ordinance for Nye County.

1. The following constitutes a description of the number and manner in which comment was solicited from affected businesses, a summary of their responses and an explanation of the manner in which other interested persons may obtain a copy of the summary. *NRS 237.090(1)(a)*

The ordinance presented for adoption amends various sections of the Prostitution ordinance as follows:

AMENDING THE DEFINITIONS; ADDING SECTION 9.20.025, PUBLIC POLICY; ADDING SECTION 9.20.027, PROSTITUTION NOT AN OFFENSE OR NUISANCE; ADDING SECTION 9.20.035, LICENSE IS A PRIVILEGE; AMENDING POWERS AND DUTIES OF THE BOARD; AMENDING WAIVER OF PRIVILEGE; AMENDING LICENSE APPLICATION FILING; AMENDING LICENSE APPLICATION CONTENTS; AMENDING LICENSE APPLICATION INVESTIGATION; AMENDING LICENSE ISSUED; AMENDING LICENSE DENIAL; AMENDING LICENSE RESTRICTIONS; AMENDING REGISTRATION OF LICENSEES AND EMPLOYEES; AMENDING LICENSE DENIAL; AMENDING HEALTH EXAMINATIONS OF PROSTITUTES AND TEST; AMENDING EMERGENCY SUSPENSION BY SHERIFF; AMENDING SUSPENSION OR REVOCATION OF LICENSE; AMENDING HEARINGS; ADDING SECTION 9.20.195, ARMED SECURITY OFFICERS PROHIBITED; AMENDING LICENSE NOT TRANSFERRABLE; AMENDING TEMPORARY LICENSE; DELETING SECTION 9.20.210, TRANSFER OF OWNERSHIP OR INTEREST; AMENDING FEES; ADDING SECTION 9.20.245, COMPLIANCE INSPECTIONS; AMENDING PENALTIES; PROVIDING FOR THE SEVERABILITY, CONSTITUTIONALITY AND EFFECTIVE DATE HEREOF; AND OTHER MATTERS PROPERLY RELATING THERETO.

Registered letters were sent to the owners of each house of prostitution. Names and addresses were obtained directly from the original license application.

Three written comments were received (attached) during the comment period.

2. The estimated economic benefit of the proposed rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects. **NRS 237.090(1)(b)**

Potential Adverse Effects to Businesses: Various changes to the ordinance can be considered as adverse effects:

- The application fee used for background checks is increased from \$5,000 to \$7,000.
- The investigative fee for a change in manager, agent or key employee is increased from \$1,000 to \$1,500.
- The quarterly license fee has been increased to \$5,000 each calendar quarter and \$10,000 a quarter. In addition, part of the brothel's license fee, for each work card issued for a Prostitute/Sex Worker the brothel shall pay \$200.00. These fees charged to Prostitute/Sex Worker work cards shall be capped at \$10,000 a quarter or 50 cards.
- Increased the quarterly registration fee for brothel workers from \$125 to \$150.
- A one hundred fifty (\$150.00) dollar initial fee will be charged annually for all other employees, and thereafter annually on the anniversary of the date of hire.

Potential Beneficial Effects to Businesses: Various changes to the ordinance can be considered as beneficial effects:

- The board may issue a temporary license to an applicant for a specific period of time which entitles the person named in the application to take part in the operation of the brothel and receive profits.
- Frequent inspections performed by the Sheriff's Office will give immediate feedback of possible violations and will provide the ability to take corrective action and, in turn, will provide assistance to owner to maintain a compliant license.

Potential Direct Effects to Businesses: Various changes to the ordinance can be considered as direct effects:

- There is a need for hiring an additional detective to carry out increased investigative services.
- Enhanced licensing requirements will provide for stricter controls and oversight by hiring an additional detective.
- It will also lead to increased revenue for the County, which will serve the dual purpose of covering costs associated with background checks and investigations.

Indirect Effects: The indirect effect is that the fee increases.

- Increased inspections will increase patrols around the surroundings of the brothels.
- Increased inspections will provide for immediate assurance or confirmation of the brothel license status.

3. The following constitutes a description of the methods that the governing body of the local government considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any, and if so which, of these methods were used: (Include whether the following was considered: simplifying the proposed rule; establishing different standards of compliance for a business; if applicable, modifying a fee or fine set forth in the rule so that a business could pay a lower fee or fine). **NRS 237.090(1)(c)**

The continued existence of the brothel industry is dependent upon public confidence and trust that licensed prostitution is conducted honestly and competitively and free from criminal and corruptive elements. Public confidence and trust can only be maintained by strict regulation of all persons, locations, practices, associations and activities related to the operation of a licensed brothel. Strict regulation includes the necessity for background and investigative fees, and the assessment of fees and fines to ensure compliance with county ordinance and state law. No applicant has any right to receive a license, and any license issued and received is a revocable privilege to the holder thereof. Therefore, no other methods were considered to reduce the impacts on the operation.

4. The governing body estimates the annual cost to the local government for enforcement of the proposed rule is: **NRS 237.090(1)(d)**

The cost to the local government is estimated at \$77,000, to fund a full time detective.

5. The proposed rules provides for a new fee or increase in an existing fee and the total amount the local government expects to collect is: **NRS 237.090(1)(e)**

Fees are being increased in this proposed amendment. Revenues for fiscal year 2015-2016 (both licenses and work cards) were \$155,000. Based on the current number of active brothel licenses (5) we anticipate increases revenues of \$25,000 per quarter. Based on the current number of active work cards (140) we anticipate increased revenues of \$3,500 per quarter.

| TYPE OF FEE | FY16 BUDGET | ANNUAL VALUE OF PROPOSED INCREASE | PROPOSED ANNUAL BUDGET |
|--------------------------|-------------|-----------------------------------|------------------------|
| Brothel License Renewals | \$85,000 | \$300,000 | \$300,085 |
| Brothel Work Cards | \$70,000 | \$14,000 | \$84,000 |

6. The money generated by the new fee or increase in existing fee will be used by the local government to: **NRS 237.090(1)(e)**

The increased fees will cover the costs related to background checks and investigations and provide revenues for the county. The increased fees will also provide for standard cost increases experienced by the County on an annual basis.

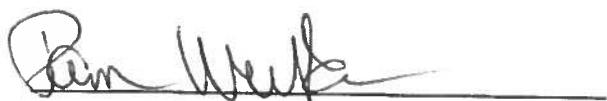
7. The proposed rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity. The following explains when such duplicative or more stringent provisions are necessary: NRS 237.090(1)(f)

This proposal does not change or introduce any duplication of activities.

COUNTY MANAGER CERTIFICATION REQUIRED PER NRS 237.090(2):

I, Pam Webster, as County Manager for the County of Nye, Nevada, hereby certify that, to the best of my knowledge and belief, the information contained in this business impact statement was prepared properly and accurately.

Dated this 10th day of May, 2017.



Pam Webster
Nye County Manager

NRS 237.090 Consideration of business impact statement at regular meeting held before meeting to adopt proposed rule required; inclusion of business impact statement on agenda before statement is available for public inspection prohibited.

1. A business impact statement prepared pursuant to [NRS 237.080](#) must be considered by the governing body at its regular meeting next preceding any regular meeting held to adopt the proposed rule. The business impact statement must set forth the following information:

(a) A description of the manner in which comment was solicited from affected businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

(b) The estimated economic effect of the proposed rule on the businesses which it is to regulate, including, without limitation:

(1) Both adverse and beneficial effects; and

(2) Both direct and indirect effects.

(c) A description of the methods that the governing body of the local government or its designee considered to reduce the impact of the proposed rule on businesses and a statement regarding whether the governing body or its designee actually used any of those methods.

(d) The estimated cost to the local government for enforcement of the proposed rule.

(e) If the proposed rule provides a new fee or increases an existing fee, the total annual amount the local government expects to collect and the manner in which the money will be used.

(f) If the proposed rule includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

(g) The reasons for the conclusions regarding the impact of the proposed rule on businesses.

2. The county manager, city manager or other chief executive officer for the governing body of a local government shall sign the business impact statement certifying that, to the best of his or her knowledge or belief, the information contained in the statement was prepared properly and is accurate.

3. The governing body of a local government shall not include the consideration of a business impact statement on the agenda for a meeting unless the statement has been prepared and is available for public inspection at the time the agenda is first posted.

(Added to NRS by [1999, 2073](#); A [2005, 1479](#); [2013, 2309](#))