

## **CITY OF NORTH LAS VEGAS**

### **Business Impact Statement Ordinance No. 3041 Amendment to the City of North Las Vegas Municipal Code Title 5 Chapter 5.02 and 5.22**

Upon request, a copy of this Business Impact Statement may be obtained from the City of North Las Vegas Business License Division. Requests should be sent to:

City of North Las Vegas  
Land Development & Community Services  
Business License Division  
2250 Las Vegas, Blvd., Ste 110  
North Las Vegas, NV 89030

A copy may also be obtained from the following website:

[http://www.cityofnorthlasvegas.com/departments/lcds/business\\_license\\_forms\\_and\\_documents.php](http://www.cityofnorthlasvegas.com/departments/lcds/business_license_forms_and_documents.php)

#### **Title of proposed Ordinance:**

AN ORDINANCE AMENDING TITLE 5 OF THE MUNICIPAL CODE OF THE CITY OF NORTH LAS VEGAS RELATING TO BUSINESS LICENSES GENERALLY TO INCLUDE PROVISIONS FOR SHORT-TERM RENTALS AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.

#### **Description of proposed Ordinance:**

The City of North Las Vegas ("City") is proposing amendments to the North Las Vegas Municipal Code ("NLVMC"), specifically to Title 5 Chapter 5.02 "Business Licenses Generally" to create a license classification and an annual license fee for short-term rentals and to Chapter 5.22 "Hotel and Gaming Tax" for License Tax for Hotels and Motels to have short-term rentals be subject to the City's monthly transient lodging tax. This Business Impact Statement primarily addresses the fee and tax ordinances that may be adopted in NLVMC Chapters 5.02 and 5.22 but also addresses the proposed amendments to NLVMC Section 17.20.030 pertaining to the conditional use permit requirements for short-term rentals. Generally, zoning and land use regulations are exempt from the business impact statement requirements of NRS Chapter 237. However, the amendments to Title 5 and Title 17 of the NLVMC are being proposed in conjunction with one another and the City provided access to the proposed revisions to Title 17 when it sent notice of the amendments to Title 5 that is required under NRS 237.080. Accordingly, both the revisions to Title 5 and Title 17 are addressed herein.

#### **Intent of the proposed Ordinance:**

Currently, the City does not have ordinances related to the regulation of short-term rentals. The proposed ordinances create provisions in Title 5 and Title 17 detailing the zoning and business licensing requirements for short-term rental operators to obtain a conditional use permit and business license for operating a short-term rental. Additionally, because short-term rentals are transient lodging, such businesses will be subject to the transient lodging tax paid to the City under NLVMC Chapter 5.22.

**Description of the manner in which public comments, data and/or arguments was solicited from affected businesses:**

The City's Business License Division emailed stakeholders who had provided input to the City about the short-term rental ordinance and who had attended an industry meeting on August 13, 2020. Additionally, the notification letter was sent to Airbnb, VRBO, Nevada Resort Association, Greater Las Vegas Association of Realtors, and the LV Metro Chamber. The notification letter contained text of the amendments to Title 5 and a link to the City website where copies of the proposed amendments to Title 5 and Title 17 are located. The notification letter was also posted on the City's website.

**Summary of public comments, data or arguments received:**

The City's Business License Division received three calls in response to the proposed ordinance; two callers inquired about the City Council meeting timeline for the proposed ordinance and another caller requested information pertaining to how noise complaints and occupancy limits are handled under the proposed ordinance. Staff provided the information requested.

The City received the attached letter from the Nevada Resort Association (the "Association"). After receiving the letter, City staff spoke to Virginia Valentine, President of the Nevada Resort Association, to address the Association's concerns. In its letter, the Association requested that "more consideration be given to measures that protect the quality of life in North Las Vegas' neighborhoods as well as access to affordable housing." Currently, short-term rentals are not regulated in the City. This ordinance will implement zoning and permitting requirements for short-term rentals to operate in the City, will require short-term rental businesses to obtain a business license, and will require short-term rental businesses to pay transient lodging tax. The City believes that implementing these ordinances is necessary in order to provide the City with a mechanism to address the proliferation of these unregulated businesses in the City.

The Association also expressed concerns about future City residents not knowing whether they are purchasing a home next to short-term rentals without the creation of a registry of such properties. Currently, the City has no ability to track short-term rentals in the City. This ordinance, by requiring a short-term rental business to meet certain zoning requirements and to obtain a business license, will provide the City with a mechanism to create a registry of such businesses in the City. Additionally, by adopting ordinances that contain zoning, business licensing, and transient lodging tax requirements for short-term rentals, the City is treating these businesses like traditional lodging facilities, a request made by the Association in its letter. However, the Association's request that the City consider only allowing short-term rentals in areas commercially zoned for hotels/motels is untenable. Short-term rental businesses operate in single-family or multi-family residential units. Such units do not generally exist in commercial zoning districts where hotels/motels are allowed to operate.

The Association also detailed concerns about the 50% threshold for short-term rental units in multi-family zoning classifications because the threshold appeared to be a "significant number and would negatively impact the character of such housing complexes." Proposed Ordinance No. 3040 only allows short-term rentals in individually mapped multi-family developments (e.g., condominiums, townhouses) and provides that "[n]o more than 50 percent of the units or eight (8) units, whichever is less within a duplex, condominium or townhouse development may be utilized for short-term rentals." The Association did not note that the cap for short-term units in

multi-family developments is the lesser of 8 units or 50% of the total units. In a 100-unit development, the cap would be at 8% (8 out of 100) not 50%. The City has attempted to balance the interests of developers and residents in limiting the number of units that can be used as short-term rentals in multi-family developments.

Lastly, the Association detailed concerns about imposing stringent requirements related to cleaning, sanitation, and disinfecting short-term rentals to protect guests. As the Association notes in its letter, the health and safety standards imposed on the resort industry are contained in newly enacted state laws. The requirements in the state laws were influenced by public health experts at federal agencies (e.g., Centers for Disease Control). The City's ordinances do not impose cleaning, sanitation, and disinfecting requirements on other public accommodation businesses (e.g., hotels, motels, restaurants, grocery stores) operating in the City. Such requirements are imposed by State requirements and Southern Nevada Health District guidelines.

**Estimated economic effect of the proposed ordinance on businesses:**

The proposed ordinance will not cause an economic effect on existing licensed businesses. The City currently does not license short-term rentals and is therefore unable to regulate such businesses. This ordinance will affect businesses that are not currently authorized to operate in the City and will require that such businesses be licensed. The zoning and licensing requirements for short-term rentals in the proposed ordinances will help to preserve the quality of life in the City's residential communities.

**Estimated annual cost to the local government enforcement and administration of the proposed ordinance:**

It is difficult to speculate the cost to enforce and administer the proposed ordinance. Currently, the City does not have the ability to regulate these businesses. The proposed ordinance will require businesses operating as short-term rentals to obtain a conditional use permit from the City after meeting certain requirements (e.g., separation requirements from other short-term rentals) and a business license from the City. By requiring these businesses to obtain a conditional use permit and business license in order to operate in the City, the City will have the ability to enforce its ordinance provisions against short-term rental operators who have not obtained the necessary permit and license (e.g., NLVMC 5.02.020 and 5.02.450 authorize \$500 fines for each violation if a business continues to operate without a required business license).

**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:**

The proposed fees relate to a new business classification created by this proposed ordinance. At this time, the City's Business License Division does not know what the projected annual revenue may be as the City has not previously licensed this type of business. Ordinance No. 3040 requires an operator to obtain a conditional use permit. The application fee for a conditional use permit is \$100 per NLVMC 2.38.020. Ordinance No. 3041 includes a proposed annual business license fee of \$900. In determining these fees, City staff considered the application costs of a special use permit under NLVMC 2.38.020; special use permit applications cost \$1,000 (\$500 for the permit and \$500 for the application notification and advertising requirements for the public hearing required for a special use permit). The short-

term rental ordinances in Henderson and Las Vegas include annual fees of \$820 and \$500, respectively.

Fees generated by this new business classification will be placed in the City's general fund.

**Assessment of provisions of the proposed ordinance, which may duplicate or are more stringent than Federal, State or local standards regulating the same activity:**

The proposed ordinance does not duplicate nor is it more stringent than Federal, State or local standards regulating the same activity.

**Description of the methods that local government considered to modify the proposed ordinance; or otherwise reduce the impact of the proposed ordinance on businesses, and a statement of the methods used:**

The City did not consider any modification to the proposed ordinance due to the fact that there were no comments received stating there would be a significant economic burden on existing businesses. The issues raised by the Association in its letter dated September 14, 2020 and the issues raised by the Association in a phone call with City staff do not indicate that the proposed ordinance would have a significant economic burden on the Nevada casino resort operators that comprise the Association's membership. However, in this business impact statement, the City has endeavored to address the various regulatory concerns raised by the Association in its letter dated September 14, 2020.

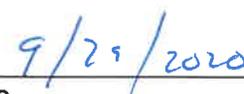
**Reasons for the conclusions regarding the impact of the proposed ordinance change on businesses:**

Stakeholders and certain business industries were notified by email regarding the proposed ordinance amendment. No increase on existing business license fees will occur with this proposed ordinance amendment. With the proposed ordinances, the City is imposing zoning and licensing requirements on businesses that are not currently authorized to operate in the City. If short-term rental businesses want to continue to operate in the City, they will need to meet certain zoning requirements and will need to pay an annual business license fee. Additionally, as transient lodging establishments, short-term rentals will be subject to the City's transient lodging tax in NLVMC 5.02.010.

**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.

  
\_\_\_\_\_  
Ryann Juden  
City Manager

  
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Date