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AN ACT

RELATING TO ALCOHOLIC BEVERAGES; PROVIDING FOR A CRAFT  
DISTILLER'S LICENSE; AMENDING THE DOMESTIC WINERY AND SMALL  
BREWERY ACT; RECONCILING MULTIPLE AMENDMENTS TO THE SAME  
SECTION OF LAW IN LAWS 1998.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 60-6A-21 NMSA 1978 (being Laws 1983,  
Chapter 280, Section 2, as amended) is amended to read:

"60-6A-21. SHORT TITLE.--Sections 60-6A-21 through  
60-6A-28 NMSA 1978 may be cited as the "Domestic Winery,  
Small Brewery and Craft Distillery Act"."

SECTION 2. Section 60-6A-22 NMSA 1978 (being Laws 1983,  
Chapter 280, Section 3, as amended) is amended to read:

"60-6A-22. DEFINITIONS.--As used in the Domestic  
Winery, Small Brewery and Craft Distillery Act:

A. "brandy" means an alcoholic liquor distilled  
from wine or from fermented fruit juice;

B. "beer" means any fermented beverage containing  
more than one-half percent alcohol obtained by the  
fermentation of any infusion or decoction of barley, malt and  
hops or other cereal in water, and includes porter, beer, ale  
and stout;

C. "craft distiller" means a person licensed as a  
craft distiller who owns or operates a business for the

1 manufacture of spirituous liquors but who does not  
2 manufacture more than one hundred fifty thousand proof  
3 gallons per license year;

4 D. "small brewer" means any person who owns or  
5 operates a business for the manufacture of beer but does not  
6 manufacture more than two hundred thousand barrels of beer  
7 per year;

8 E. "proof gallon" means a gallon of liquid at  
9 sixty degrees Fahrenheit that contains fifty percent ethyl  
10 alcohol by volume or its equivalent;

11 F. "public celebration" means any state fair,  
12 county fair, community fiesta or cultural or artistic  
13 performance;

14 G. "wine" means the product obtained from normal  
15 alcoholic fermentation of the juice of sound ripe grapes or  
16 other agricultural products containing natural or added  
17 sugar, or any such alcoholic beverage to which is added grape  
18 brandy, fruit brandy or spirits of wine that is distilled  
19 from the particular agricultural products of which the wine  
20 is made, and other rectified wine products by whatever name  
21 that do not contain more than fifteen percent added  
22 flavoring, coloring and blending material and that contain  
23 not more than twenty-four percent alcohol by volume, and  
24 includes vermouth;

25 H. "wine blender" means a person authorized to

1 operate a bonded wine cellar pursuant to a permit issued for  
2 that purpose under the internal revenue laws of the  
3 United States but who does not have facilities or equipment  
4 for the conversion of grapes, berries or other fruit into  
5 wine and does not engage in the production of wine in  
6 commercial quantities; provided that any person who produces  
7 or blends not to exceed three hundred gallons of wine per  
8 year shall not, because of such production or blending, be  
9 considered a wine blender; and

10 I. "winer" means a person licensed as a  
11 winegrower."

12 SECTION 3. A new section of the Domestic Winery, Small  
13 Brewery and Craft Distillery Act is enacted to read:

14 "CRAFT DISTILLER'S LICENSE.--

15 A. In any local option district, a person  
16 qualified under the provisions of the Liquor Control Act,  
17 except as otherwise provided in the Domestic Winery, Small  
18 Brewery and Craft Distillery Act, may apply for and be issued  
19 a craft distiller's license subject to the following  
20 conditions:

21 (1) the applicant submits evidence to the  
22 department that the applicant has a valid and appropriate  
23 permit issued by the federal government to be a craft  
24 distiller;

25 (2) renewal of the license shall be

1 conditioned upon:

2 (a) no less than sixty percent of the  
3 gross receipts from the sale of spirituous liquors for the  
4 preceding twelve months of the licensee's operation being  
5 derived from the sale of spirituous liquors produced by the  
6 licensee;

7 (b) the manufacture of no less than one  
8 thousand proof gallons of spirituous liquors per license year  
9 at the licensee's premises; and

10 (c) submission to the department by the  
11 licensee of a report showing the number of proof gallons of  
12 spirituous liquors manufactured by the licensee at the  
13 licensee's premises and the annual gross receipts from the  
14 sale of spirituous liquors produced by the licensee and from  
15 the licensee's sale of distilled spirituous liquors produced  
16 by other New Mexico licensed craft distillers;

17 (3) a craft distiller's license shall not be  
18 transferred from person to person or from one location to  
19 another;

20 (4) the provisions of Section 60-6A-18 NMSA  
21 1978 shall not apply to a craft distiller's license; and

22 (5) nothing in this section shall prevent a  
23 craft distiller from receiving other licenses pursuant to the  
24 Liquor Control Act.

25 B. A person to whom a craft distiller's license is

1 issued pursuant to this section may do any of the following:

2 (1) manufacture or produce spirituous  
3 liquors, including aging, filtering, blending, mixing,  
4 flavoring, coloring, bottling and labeling;

5 (2) store, transport, import or export  
6 spirituous liquors;

7 (3) sell only spirituous liquors that are  
8 packaged by or for the craft distiller to a person holding a  
9 wholesaler's license, a craft distiller's license or a  
10 manufacturer's license;

11 (4) deal in warehouse receipts for  
12 spirituous liquors;

13 (5) buy spirituous liquors from other  
14 persons, including licensees and permittees under the Liquor  
15 Control Act, for use in blending, flavoring, mixing or  
16 bottling of spirituous liquors;

17 (6) be deemed a manufacturer for purposes of  
18 the Gross Receipts and Compensating Tax Act;

19 (7) conduct spirituous liquor tastings and  
20 sell, by the glass or by the bottle, or in unbroken packages  
21 for consumption off the premises but not for resale,  
22 spirituous liquors of the craft distiller's own production or  
23 spirituous liquors produced by another New Mexico craft  
24 distiller or New Mexico manufacturer on the craft distiller's  
25 premises; and

1                   (8) at no more than two other locations off  
2 the craft distiller's premises, after the craft distiller has  
3 paid the applicable fee for a craft distiller's off-premises  
4 permit, after the director has determined that the  
5 off-premises locations meet the requirements of the Liquor  
6 Control Act and department rules for new liquor license  
7 locations and after the director has issued a craft  
8 distiller's off-premises permit for each off-premises  
9 location, conduct spirituous liquor tastings and sell by the  
10 glass, or in unbroken packages for consumption and not for  
11 resale, spirituous liquors produced and bottled by or for the  
12 craft distiller or spirituous liquors produced and bottled by  
13 or for another New Mexico craft distiller or manufacturer.

14                   C. For a public celebration off the craft  
15 distiller's premises in any local option district permitting  
16 the sale of alcoholic beverages, a craft distiller shall pay  
17 ten dollars (\$10.00) to the department for a "craft  
18 distiller's public celebration permit" to be issued under  
19 rules adopted by the director. Upon request, the department  
20 may issue to a craft distiller a public celebration permit  
21 for a location at the public celebration that is to be shared  
22 with other craft distillers, small brewers and winegrowers.  
23 As used in this subsection, "public celebration" includes any  
24 state or county fair, community fiesta, cultural or artistic  
25 event, sporting competition of a seasonal nature or other

1 activity held on an intermittent basis.

2 D. Sales and tastings of spirituous liquors  
3 authorized in this section shall be permitted during the  
4 hours set forth in Subsection A of Section 60-7A-1 NMSA 1978  
5 and between the hours of noon and midnight on Sunday and  
6 shall conform to the limitations regarding Christmas day  
7 sales and the expansion of Sunday sales hours to 2:00 a.m. on  
8 January 1, when December 31 falls on a Sunday as set forth in  
9 Section 60-7A-1 NMSA 1978."

10 SECTION 4. Section 60-6A-27 NMSA 1978 (being Laws 1983,  
11 Chapter 280, Section 8, as amended by Laws 1998, Chapter 109,  
12 Section 5 and also by Laws 1998, Chapter 111, Section 2) is  
13 amended to read:

14 "60-6A-27. LICENSE FEES.--Every application for the  
15 issuance or annual renewal of the following licenses and  
16 permits shall be accompanied by a license fee or permit fee  
17 in the following specified amounts:

18 A. brandy manufacturer's license, seven hundred  
19 fifty dollars (\$750);

20 B. small brewer's license, seven hundred fifty  
21 dollars (\$750);

22 C. wine blender's license, seven hundred fifty  
23 dollars (\$750);

24 D. wine exporter's license, five hundred dollars  
25 (\$500);

1           E. small brewer's public celebrations permit, ten  
2 dollars (\$10.00) for each public celebration;

3           F. small brewer's off-premises permit, two hundred  
4 dollars (\$200) for each off-premises location;

5           G. craft distiller's license, seven hundred fifty  
6 dollars (\$750); and

7           H. craft distiller's off-premises permit, two  
8 hundred dollars (\$200) for each off-premises location."

9           SECTION 5. TEMPORARY PROVISION--APPLICATIONS FOR  
10 LICENSE.--

11           A. If a person has submitted an application for a  
12 manufacturer's license as a distiller to the director of the  
13 alcohol and gaming division of the regulation and licensing  
14 department and, on July 1, 2011, the application has not yet  
15 been approved, the person may submit a request in writing to  
16 the director no later than July 31, 2011 to convert the  
17 application from a manufacturer's license as a distiller to  
18 an application for a craft distiller's license in accordance  
19 with procedures adopted by the director.

20           B. If, within one hundred twenty days prior to or  
21 subsequent to July 1, 2011, a person obtains approval for a  
22 manufacturer's license as a distiller, the person may submit  
23 a request in writing to the director of the alcohol and  
24 gaming division of the regulation and licensing department to  
25 convert the manufacturer's license as a distiller to a craft



1 distiller's license pursuant to procedures adopted by the  
2 director and upon payment of licensing fees as provided in  
3 Section 60-6A-27 NMSA 1978. There shall be no refunds of  
4 application or licensing fees unless otherwise provided by  
5 law.

6 SECTION 6. EFFECTIVE DATE.--The effective date of the  
7 provisions of this act is July 1, 2011. \_\_\_\_\_

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