

Amendment No. 751

Assembly Amendment to Senate Bill No. 307 Second Reprint (BDR 52-945)

Proposed by: Assemblywoman Jauregui

Amendment Box: Replaces Amendment No. 716.

Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION		Initial and Date		SENATE ACTION		Initial and Date			
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

JFD/BJF



Date: 5/21/2021

S.B. No. 307—Revises provisions related to the sale of alcoholic beverages.
(BDR 52-945)



SENATE BILL NO. 307--SENATOR DONDERO LOOP

MARCH 22, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions related to the sale of alcoholic beverages. (BDR 52-945)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to alcoholic beverages; providing that a waiver of certain provisions of law is void and unenforceable; requiring a supplier of liquor to approve or deny approval for certain transactions related to the ownership or assets of a wholesaler within a certain period of time under certain circumstances; prohibiting certain acts by suppliers with respect to wholesalers of liquor; authorizing a person who operates a brew pub to manufacture additional malt beverages for sale outside of this State; revising provisions governing the operation of wineries; authorizing a retail liquor store to make deliveries of liquor in its original package under certain circumstances; revising the criteria for the approval of a license to engage in certain activities related to alcohol; revising provisions governing certificates of compliance for suppliers; revising provisions governing the possession, sale and transportation of liquor; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law sets forth various requirements concerning a franchise between a supplier
2 and a wholesaler of malt beverages, distilled spirits and wines. (NRS 597.120-597.180)
3 Existing law prohibits a supplier from unreasonably withholding or delaying approval of any
4 assignment, sale or transfer of stock of a wholesaler or of all or any portion of a wholesaler’s
5 assets, a wholesaler’s voting stock, the voting stock of any parent corporation or the beneficial
6 ownership or control of any other entity owning or controlling the wholesaler if the person to
7 be substituted under the terms of the franchise meets certain reasonable standards. (NRS
8 597.157) **Section 1.7** of this bill requires a supplier to approve or deny approval for any such
9 transaction in writing within 60 days after receiving notice of the transaction if the person to
10 be substituted under the terms of the franchise meets certain reasonable standards. **Section 1.7**
11 provides that if a supplier does not approve or deny approval for the transaction within that
12 time period, the transaction is deemed approved.

13 **Section 1** of this bill provides that a provision of any contract or other agreement that
14 attempts to alter or waive the provisions of law governing a franchise between a supplier and a
15 wholesaler of malt beverages, distilled spirits and wines is void and unenforceable. **Sections**

16 **1.3 and 3.5** of this bill make conforming changes to indicate the proper placement of **section**
17 **1** in the Nevada Revised Statutes.

18 **Section 3** of this bill prohibits a supplier from: (1) ~~requiring a wholesaler to make a~~
19 ~~payment for the purchase of malt beverages earlier than 7 days after the date of delivery or the~~
20 ~~date on which payment is required under the supplier's credit policy, whichever is later, unless~~
21 ~~the wholesaler has previously failed to make a timely payment;~~ (2) failing to approve or
22 disapprove an invoice or claim for reimbursement within ~~[30]~~ **45** days or failing to pay an
23 invoice or claim for reimbursement within ~~[30]~~ **45** days after such approval; ~~for (3)]~~ (2)
24 entering into an agreement with a wholesaler which purports to waive the rights and remedies
25 of the wholesaler if the supplier retaliates against the wholesaler for reporting a violation of
26 law to the Department of Taxation ~~[1]~~; (3) **requiring a wholesaler to make payments under**
27 **terms that are materially different from the payment terms applicable to payments**
28 **made by the supplier; or (4) withdrawing credit or credit terms from a wholesaler except**
29 **in accordance with a written policy of the supplier which is provided or otherwise made**
30 **available to the wholesaler.**

31 Existing law regulates the operation of brew pubs in this State, including limiting the
32 amount of malt beverages which a person who operates one or more brew pubs is authorized
33 to manufacture per year to not more than 40,000 barrels. (NRS 597.230) **Section 4** of this bill
34 authorizes a person who operates one or more brew pubs to manufacture and sell an additional
35 20,000 barrels of malt beverages to a wholesaler located outside of this State, subject to such
36 auditing as the Department of Taxation establishes by regulation.

37 Existing law provides for the operation of wineries in this State. (NRS 597.240) **Section**
38 **4.5** of this bill authorizes a winery to operate from multiple noncontiguous locations, provided
39 that the winery has obtained a license for each such location. **Section 4.5** authorizes a winery
40 that was issued a wine-maker's license on or after October 1, 2015, to sell alcoholic beverages
41 at retail if the winery has obtained any licenses or permits required in the jurisdiction in which
42 the winery is located and the winery complies with the requirement to purchase liquor from a
43 state-licensed wholesaler. **Section 4.5** removes the prohibition against a winery selling
44 alcoholic beverages on the premises of the winery or producing, blending or aging wine at a
45 location other than the premises of the winery.

46 Existing law authorizes a winery to transfer in bulk, directly or through a wholesaler,
47 wine produced, blended or aged by the winery to an estate distillery for the purpose of
48 distillation and blending only if 25 percent or more of the wine produced, blended or aged by
49 the winery is produced blended or aged from fruit grown in this State. (NRS 597.240) **Section**
50 **4.5** provides that the 25-percent requirement may also be satisfied with wine that is produced,
51 blended or aged from honey produced in this State. **Section 4.3** of this bill authorizes an estate
52 distillery to blend and distill wine manufactured by a winery if 25 percent or more of the wine
53 produced, blended or aged by the winery is produced, blended or aged from fruit grown or
54 honey produced in this State.

55 Existing law requires certain persons and businesses, including importers of liquor,
56 wholesale dealers of alcoholic beverages, winemakers, instructional wine-making facilities,
57 breweries, brew pubs and craft and estate distilleries to obtain a state license or permit to
58 engage in certain activities involving alcoholic beverages. (NRS 369.180) Existing law further
59 requires an application for a license for these persons or businesses to be made to the board of
60 county commissioners or the governing body of the city in which the applicant maintains his
61 or her principal place of business. (NRS 369.190) **Section 5** of this bill requires the board of
62 county commissioners or the governing body of a city, in approving such an application, to
63 require satisfactory proof that the applicant is not in violation of the prohibition against
64 engaging in certain activities involving alcoholic beverages without a license and that the
65 applicant is not applying for a license for a business in which he or she is prohibited by law
66 from engaging.

67 **Section 4.7** of this bill authorizes a retail liquor store, or a delivery support service acting
68 on behalf of a retail liquor store, to deliver liquor in its original package to a consumer in
69 connection with a retail sale of such liquor if: (1) the liquor was purchased by the retail liquor
70 store from a licensed wholesaler; and (2) the delivery takes place in a jurisdiction where the
71 retail liquor store is licensed to sell liquor at retail. **Section 4.7** requires the Department of
72 Taxation to adopt regulations governing such deliveries. **Section 4.7** also exempts such
73 deliveries from certain provisions of law governing the transport of liquor, including laws

74 which authorize the transport of liquor for delivery only by persons who have been issued
 75 certain state licenses.

76 **Section 6** of this bill revises terminology relating to applications for a certificate of
 77 compliance by suppliers of liquor by replacing the term “vendor” with “out-of-state supplier.”

78 Existing law prohibits a person from keeping or possessing for sale, furnishing or selling,
 79 or soliciting the purchase or sale of any liquor in this State, or transporting or importing or
 80 causing to be transported or imported any liquor in or into this State for delivery, storage, use
 81 or sale unless the person complies with the relevant provisions of law and holds the
 82 appropriate license, permit or certificate, except for certain limited exceptions for liquor
 83 purchased for household or personal use. (NRS 369.490) **Section 7** of this bill additionally
 84 requires a person to be duly designated by the supplier of such liquor or to have purchased the
 85 liquor from certain authorized sources. **Section 7** also revises an existing exception from
 86 licensing requirements for consumers who import 1 gallon or less of alcoholic beverage per
 87 month for household or personal use to provide that the exception applies only if the person
 88 enters this State with such alcoholic beverage rather than importing it. **Sections 6.3 and 6.7** of
 89 this bill make a conforming change to reflect that this exception does not apply to the shipping
 90 of alcoholic beverages into this State other than wine.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 597 of NRS is hereby amended by adding thereto a new
 2 section to read as follows:

3 *Any term of a contract or other agreement that attempts to alter or waive any*
 4 *provision of this section and NRS 597.120 to 597.180, inclusive, is void and*
 5 *unenforceable.*

6 **Sec. 1.3.** NRS 597.120 is hereby amended to read as follows:

7 597.120 As used in NRS 597.120 to 597.180, inclusive, *and section 1 of this*
 8 *act*, unless the context otherwise requires, the words and terms defined in NRS
 9 597.125 to 597.150, inclusive, have the meanings ascribed to them in those
 10 sections.

11 **Sec. 1.7.** NRS 597.157 is hereby amended to read as follows:

12 597.157 1. A supplier shall ~~not unreasonably withhold or delay approval~~
 13 ~~of~~ *approve* any assignment, sale or transfer of the stock of a wholesaler or of all or
 14 any portion of a wholesaler’s assets, a wholesaler’s voting stock, the voting stock of
 15 any parent corporation or the beneficial ownership or control of any other entity
 16 owning or controlling the wholesaler, including the wholesaler’s rights and
 17 obligations under the terms of a franchise, ~~[whenever a]~~ *within 60 days after*
 18 *receiving notice of the transaction if the* person to be substituted under the terms
 19 of the franchise meets reasonable standards imposed upon the wholesaler and any
 20 other wholesaler of the supplier of the same general class, after consideration of the
 21 size and location of the marketing area of the wholesaler. *A supplier shall approve*
 22 *or deny approval of the transaction in writing and, if approval of the transaction*
 23 *is denied, state the material reasons for the denial. If a supplier does not approve*
 24 *or deny approval of the transaction within 60 days after receiving notice of the*
 25 *transaction, the transaction shall be deemed approved.*

26 2. Upon the death of a partner of a partnership that operates the business of a
 27 wholesaler, a supplier shall not unreasonably withhold or delay approval of
 28 maintaining the franchise between the supplier and each surviving partner.

29 3. Upon the death of any owner, controlling shareholder or operator of a
 30 wholesaler, a supplier shall not deny approval of any transfer of ownership to a
 31 surviving spouse, child or grandchild of the owner who has reached the age of
 32 majority at the time of death, controlling shareholder or operator. Any subsequent

1 transfer of ownership by the spouse, child, grandchild, controlling shareholder or
2 operator is subject to the provisions of subsection 1.

3 4. In addition to the provisions of NRS 597.170, a supplier who unreasonably
4 delays or withholds consent or unreasonably denies approval of a sale, transfer or
5 assignment of any ownership interest in a wholesaler is liable to the wholesaler for
6 the laid-in costs of inventory of each affected brand of liquor and any diminution in
7 the fair market value of the business of the wholesaler in relation to each affected
8 brand. The damages recoverable pursuant to this section include, without limitation,
9 all reasonable costs of bringing the action and attorney's fees. For the purpose of
10 this subsection, the fair market value of a business of a wholesaler includes, without
11 limitation, the good will of the business and its value as a going concern, if any.

12 ~~[5. The provisions of this section may not be modified by agreement. Any~~
13 ~~provision in an agreement is void if the provision includes such a modification.]~~

14 **Sec. 2.** (Deleted by amendment.)

15 **Sec. 3.** NRS 597.162 is hereby amended to read as follows:

16 597.162 A supplier shall not:

17 1. Prohibit a wholesaler from selling an alcoholic beverage of any other
18 supplier ~~§~~ §.

19 2. Prevent a wholesaler from using best efforts to sell, market, advertise or
20 promote an alcoholic beverage of any other supplier ~~§~~ §.

21 3. Provide any reward or penalty to, or in any other way condition its
22 relationship with, a wholesaler based upon the amount of sales the wholesaler
23 makes of an alcoholic beverage of any other supplier ~~§~~ §.

24 4. Disapprove a wholesaler's selection of a general manager or successor
25 general manager based on the wholesaler's sales, marketing, advertising, promotion
26 or retail placement of an alcoholic beverage of any other supplier ~~§~~ §.

27 5. Require a wholesaler to report to the supplier any of the wholesaler's
28 financial information associated with the purchase, sale or distribution of an
29 alcoholic beverage of any other supplier ~~§~~ §, except that nothing in this
30 subsection prohibits a wholesaler from reporting general financial information in
31 order for the supplier to assess the overall financial condition of a wholesaler as
32 a condition of providing credit, so long as the supplier does not require the
33 wholesaler to submit disaggregated financial information associated with or
34 identifying the wholesaler's sales of an alcoholic beverage of another supplier or
35 suppliers;

36 6. Fix or maintain the price at which a wholesaler may resell an alcoholic
37 beverage purchased from the supplier ~~§~~ §.

38 7. Require a wholesaler to pay to the supplier all or any portion of the
39 difference in the suggested retail price of an alcoholic beverage and the actual price
40 at which the wholesaler sells the alcoholic beverage ~~§~~ §.

41 8. Require a wholesaler to accept delivery of any alcoholic beverage or any
42 other item that is not voluntarily ordered by the wholesaler ~~for otherwise not~~
43 ~~required under the franchise between the supplier and wholesaler] or is in violation~~
44 of any levels of inventory that are mutually agreed upon in writing by the supplier
45 and wholesaler ~~§~~ §.

46 9. ~~[Require a wholesaler to make a payment for the purchase of any malt~~
47 ~~beverage by the wholesaler before the later of:~~

48 ~~— (a) Seven days after the date on which the malt beverage was delivered to the~~
49 ~~wholesaler; or~~

50 ~~— (b) The date on which the wholesaler is required to make a payment to the~~
51 ~~supplier for the purchase under the terms of the supplier's credit policy.~~

~~1 unless the wholesaler has previously failed to make a payment to the supplier for the purchase of goods on or before the date on which the payment was due, in which case the supplier may require the payment terms to be cash on delivery.~~

~~10. Prohibit or restrain, directly or indirectly, a wholesaler from participating in an organization that represents the interests of wholesalers for any lawful purpose.~~

~~10. Discriminate against, penalize or otherwise retaliate against a wholesaler because the wholesaler raises, alleges or otherwise brings to the attention of the Department of Taxation an actual, potential or perceived violation of this chapter~~

~~or enter into an agreement with a wholesaler which purports to waive any right or remedy of the wholesaler pursuant to this subsection.~~

~~12.;~~

11. Require a wholesaler to participate in or contribute to any advertising fund or promotional activity that:

(a) Is not used for advertising or a promotional activity in the marketing area of the wholesaler; or

(b) Requires a contribution by the wholesaler that exceeds any amount specified for that purpose in the franchise.

~~13.;~~

12. *Fail to approve or disapprove an invoice or claim for reimbursement submitted by a wholesaler within ~~30~~ 45 days after receipt of the invoice or claim.*

~~14.;~~

13. *Fail to pay to a wholesaler the amount of any invoice or claim for reimbursement within ~~30~~ 45 days after the supplier approves the invoice or claim.*

14. *Require a wholesaler to make payments to the supplier under terms that are materially different from the payment terms applicable to the supplier when making payments to the wholesaler; or*

15. *Withdraw credit or credit terms from a wholesaler except in accordance with the terms of a written policy of the supplier which is provided or otherwise made available to the wholesaler.*

Sec. 3.5. NRS 597.170 is hereby amended to read as follows:

597.170 1. Any wholesaler may bring an action in a court of competent jurisdiction against a supplier for violation of NRS 597.120 to 597.180, inclusive, **and section 1 of this act** and may recover the damages sustained by the wholesaler, together with such costs of the action and reasonable attorney's fees as are authorized under NRS 18.110.

2. The remedies provided in NRS 597.120 to 597.180, inclusive, **and section 1 of this act** are independent of and supplemental to any other remedy or remedies available to the wholesaler in law or equity.

Sec. 4. NRS 597.230 is hereby amended to read as follows:

597.230 1. In any county, a person may operate a brew pub:

(a) In any redevelopment area established in that county pursuant to chapter 279 of NRS;

(b) In any historic district established in that county pursuant to NRS 384.005;

(c) In any retail liquor store as that term is defined in NRS 369.090; or

(d) In any other area in the county designated by the board of county commissioners for the operation of brew pubs. In a city which is located in that county, a person may operate a brew pub in any area in the city designated by the governing body of that city for the operation of brew pubs.

1 ↪ ~~1A~~ *Except as otherwise provided in paragraph (e) of subsection 3, a* person
2 who operates one or more brew pubs may not manufacture more than 40,000
3 barrels of malt beverages for all the brew pubs he or she operates in this State in
4 any calendar year.

5 2. The premises of any brew pub operated pursuant to this section must be
6 conspicuously identified as a “brew pub.”

7 3. Except as otherwise provided in subsection 4, a person who operates one or
8 more brew pubs pursuant to this section may, upon obtaining a license pursuant to
9 chapter 369 of NRS and complying with any other applicable governmental
10 requirements:

11 (a) Manufacture and store malt beverages on the premises of one or more of
12 the brew pubs and:

13 (1) Sell and transport the malt beverages manufactured on the premises to a
14 person holding a valid wholesale wine and liquor dealer’s license or wholesale beer
15 dealer’s license issued pursuant to chapter 369 of NRS.

16 (2) Donate for charitable or nonprofit purposes and, for the purposes of the
17 donation, transport the malt beverages manufactured on the premises in accordance
18 with the terms and conditions of a special permit for the transportation of the malt
19 beverages obtained from the Department of Taxation pursuant to subsection 4 of
20 NRS 369.450.

21 (3) Transfer in bulk the malt beverages manufactured on the premises:

22 (I) To a person holding a valid wholesale wine and liquor dealer’s
23 license or wholesale beer dealer’s license issued pursuant to chapter 369 of NRS for
24 the purpose of transferring in bulk the malt beverages to an estate distillery for the
25 purpose of distillation and blending, which transfer is taxable only as provided in
26 NRS 597.237; or

27 (II) If there is no wholesaler who is able or willing to accept and
28 transfer in bulk the malt beverages pursuant to sub-subparagraph (I), to a person
29 holding a valid license to operate an estate distillery issued pursuant to chapter 369
30 of NRS for the purpose of distillation and blending, which transfer is taxable only
31 as provided in NRS 597.237 and must be performed in accordance with the terms
32 and conditions of a special permit for the transportation of the malt beverages
33 obtained from the Department of Taxation pursuant to subsection 4 of NRS
34 369.450.

35 (b) Manufacture and store malt beverages on the premises of one or more of
36 the brew pubs and transport the malt beverages manufactured on the premises to a
37 retailer, other than a person who operates a brew pub pursuant to this section, that
38 holds a valid license pursuant to chapter 369 of NRS for the purpose of selling the
39 malt beverages at a special event in accordance with the terms and conditions of a
40 special permit for the transportation of the malt beverages obtained from the
41 Department of Taxation pursuant to subsection 4 of NRS 369.450. For the purposes
42 of this paragraph, the person who operates one or more brew pubs shall not obtain
43 more than 20 such special permits for the transportation of the malt beverages from
44 the Department of Taxation pursuant to subsection 4 of NRS 369.450 within a
45 calendar year.

46 (c) Sell at retail, not for resale, malt beverages manufactured on or off the
47 premises of one or more of the brew pubs for consumption on the premises.

48 (d) Sell at retail, not for resale, in packages sealed on the premises of one or
49 more of the brew pubs, malt beverages, including malt beverages in unpasteurized
50 form, manufactured on the premises for consumption off the premises.

51 *(e) In a calendar year, in addition to the amount of malt beverages which*
52 *may be manufactured pursuant to subsection 1, manufacture and sell 20,000*
53 *barrels of malt beverages for all the brew pubs he or she operates in this State*

1 *provided such barrels are sold to a wholesaler located outside of this State,*
2 *subject to such periodic auditing as the Department of Taxation shall require by*
3 *regulation.*

4 4. The amount of malt beverages sold pursuant to paragraphs (b), (c) and (d)
5 of subsection 3 must not exceed a total of 5,000 barrels in any calendar year. Of the
6 5,000 barrels, not more than 1,000 barrels may be sold in kegs.

7 **Sec. 4.3.** NRS 597.237 is hereby amended to read as follows:

8 597.237 1. A person may operate an estate distillery if the person:

9 (a) Obtains a license for the facility pursuant to chapter 369 of NRS;

10 (b) Complies with the requirements of this chapter; and

11 (c) Complies with any other applicable governmental requirements.

12 2. A person who operates an estate distillery pursuant to this section may:

13 (a) In addition to manufacturing spirits from agricultural raw materials through
14 distillation, blend, age, store and bottle the spirits so manufactured. The person
15 operating the estate distillery shall ensure that none of the spirits manufactured at
16 the estate distillery are derived from neutral or distilled spirits manufactured by
17 another manufacturer, except as authorized by paragraph (b).

18 (b) Blend and distill wines or malt beverages, provided any such wine or malt
19 beverage was manufactured by:

20 (1) A brew pub licensed pursuant to NRS 597.230;

21 (2) A winery that has been issued a wine-maker's license pursuant to NRS
22 369.200 on or before September 30, 2015; or

23 (3) A winery that has been issued a wine-maker's license pursuant to NRS
24 369.200 on or after October 1, 2015, if 25 percent or more of the wine produced,
25 blended or aged by the winery is produced, blended or aged from fruit grown *or*
26 *honey produced* in this State.

27 (c) Except as otherwise provided in paragraphs (g) and (h), in any calendar
28 year, sell and transport in Nevada not more than a combined total of 75,000 cases
29 of spirits at the estate distillery to a person who holds a license to engage in
30 business as a wholesale dealer of liquor pursuant to chapter 369 of NRS.

31 (d) In any calendar year, manufacture for exportation to another state, not more
32 than a combined total of 400,000 cases of spirits at all the estate distilleries the
33 person operates.

34 (e) On the premises of the estate distillery, serve samples of the spirits
35 manufactured at the estate distillery. Any such samples must not exceed, per
36 person, per day, 4 fluid ounces in volume.

37 (f) On the premises of the estate distillery, sell the spirits manufactured at the
38 estate distillery at retail for consumption on or off the premises. Any such spirits
39 sold at retail for off-premises consumption must not exceed, per person, per month,
40 1 case of spirits and not exceed, per person, per year, 6 cases of spirits. The total
41 amount of such spirits sold at retail for off-premises consumption must not exceed
42 7,500 cases per year. Spirits purchased on the premises of an estate distillery must
43 not be resold by the purchaser or any retail liquor store. A person who operates an
44 estate distillery shall prominently display on the premises a notice that the resale of
45 spirits purchased on the premises is prohibited.

46 (g) Donate for charitable or nonprofit purposes and transport neutral or
47 distilled spirits manufactured at the estate distillery in accordance with the terms
48 and conditions of a special permit for the transportation of the neutral or distilled
49 spirits obtained from the Department of Taxation pursuant to subsection 4 of NRS
50 369.450.

51 (h) Transfer in bulk neutral or distilled spirits manufactured at the estate
52 distillery to a supplier. Any such transfer:

1 (1) Is taxable only when the neutral or distilled spirits are rectified and
2 bottled in original packages for sale within this State and removed from the
3 federally bonded premises of the supplier; and

4 (2) Is not a sale for the purposes of paragraph (c) or manufacturing for
5 exportation for the purposes of paragraph (d).

6 (i) Subject to the provisions of subsection 3, receive wine or malt beverages in
7 bulk from a person described in subparagraph (1), (2) or (3) of paragraph (b), or
8 from a wholesale dealer of alcoholic beverages who is licensed under chapter 369
9 of NRS and who is transferring such wine or malt beverages pursuant to NRS
10 597.230 or 597.240, for the purpose of distillation and blending. Wine and malt
11 beverages so received are taxable only when the wine and malt beverages are:

12 (1) Distilled, blended or both, and bottled in original packages for sale
13 within this State; and

14 (2) Removed from the federally bonded premises of the estate distillery.

15 3. A person who operates an estate distillery shall not receive a shipment of
16 wine or malt beverages:

17 (a) Unless the person first notifies the Department of Taxation that the
18 distillery will receive such a shipment; and

19 (b) Except as authorized by paragraph (i) of subsection 2.

20 4. Spirits manufactured by an estate distillery pursuant to this section may be
21 sold in this State only after bottling in original packages.

22 **Sec. 4.5.** NRS 597.240 is hereby amended to read as follows:

23 597.240 1. A winery , *including a winery that consists of multiple*
24 *noncontiguous locations*, that is federally bonded and permitted by the Alcohol
25 and Tobacco Tax and Trade Bureau of the United States Department of the
26 Treasury, including, without limitation, an alternating proprietorship of not more
27 than four such wineries, and that has been issued a wine-maker's license *for each*
28 *noncontiguous location of the winery* pursuant to NRS 369.200 may:

29 (a) Produce, bottle, blend and age wine.

30 (b) Import wine or juice from a winery that is located in another state and that
31 is federally bonded and permitted by the Alcohol and Tobacco Tax and Trade
32 Bureau, to be fermented into wine or, if already fermented, to be mixed with other
33 wine or aged in a suitable cellar, or both.

34 2. A winery that has been issued a wine-maker's license pursuant to NRS
35 369.200 on or before September 30, 2015, may:

36 (a) Sell at retail or serve by the glass, on its premises and at one other location,
37 wine produced, blended or aged by the winery. The amount of wine sold at a
38 location other than on the premises of the winery may not exceed 50 percent of the
39 total volume of the wine sold by the winery.

40 (b) Serve by the glass, on its premises, any alcoholic beverage.

41 (c) Transfer in bulk wine produced, blended or aged by the winery:

42 (1) To a person holding a valid wholesale wine and liquor dealer's license
43 issued pursuant to chapter 369 of NRS for the purpose of transferring in bulk the
44 wine to an estate distillery for the purpose of distillation and blending, which
45 transfer is taxable only as provided in NRS 597.237; or

46 (2) If there is no wholesaler who is able or willing to accept and transfer in
47 bulk the wine pursuant to subparagraph (1), to a person holding a valid license to
48 operate an estate distillery issued pursuant to chapter 369 of NRS for the purpose of
49 distillation and blending, which transfer is taxable only as provided in NRS 597.237
50 and must be performed in accordance with the terms and conditions of a special
51 permit for the transportation of the wine obtained from the Department of Taxation
52 pursuant to subsection 4 of NRS 369.450.

3. A winery that is issued a wine-maker’s license pursuant to NRS 369.200 on or after October 1, 2015:

(a) If 25 percent or more of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown *or honey produced* in this State, may:

(1) Sell at retail or serve by the glass, on its premises, wine produced, blended or aged by the winery.

(2) Transfer in bulk wine produced, blended or aged by the winery:

(I) To a person holding a valid wholesale wine and liquor dealer’s license issued pursuant to chapter 369 of NRS for the purpose of transferring in bulk the wine to an estate distillery for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237; or

(II) If there is no wholesaler who is able or willing to accept and transfer in bulk the wine pursuant to sub-subparagraph (I), to a person holding a valid license to operate an estate distillery issued pursuant to chapter 369 of NRS for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237.

(3) Sell alcoholic beverages at retail if the winery:

(I) Has obtained any license or permit required to sell alcoholic beverages at retail in the jurisdiction in which the winery is located; and

(II) Complies with NRS 369.487.

(b) If less than 25 percent of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown *or honey produced* in this State, may ~~sell~~ :

(1) Sell at retail or serve by the glass, on its premises, not more than 1,000 cases of wine produced, blended or aged by the winery per calendar year.

(2) Subject to the limitation set forth in subparagraph (1), sell alcoholic beverages at retail if the winery:

(I) Has obtained any license or permit required to sell alcoholic beverages at retail in the jurisdiction in which the winery is located; and

(II) Complies with NRS 369.487.

4. ~~The owner or operator of a winery shall not:~~

~~(a) Except as otherwise provided in paragraph (b) of subsection 2, sell alcoholic beverages on the premises of the winery other than wine produced, blended or aged by the winery.~~

~~(b) Produce, blend or age wine at any location other than on the premises of the winery.~~

~~5.~~ The State Board of Agriculture may adopt regulations for the purposes of ensuring that a winery is in compliance with any requirements established by the Federal Government for labeling bottles of wine produced, blended or aged by the winery.

~~6.~~ 5. For the purposes of this section, an instructional wine-making facility is not a winery.

Sec. 4.7. Chapter 369 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Subject to such regulations as the Department may prescribe pursuant to subsection 2, a retail liquor store, or a delivery support service acting on behalf of a retail liquor store, may deliver liquor in its original package to a consumer in this State in connection with a retail sale of such liquor if:

(a) The retail liquor store purchased the liquor from a licensed wholesaler; and

(b) The delivery takes place in a jurisdiction in this State in which the retail liquor store is licensed to sell liquor at retail.

1 2. *The Department shall adopt regulations governing deliveries made*
2 *pursuant to this section, which must include, without limitation:*

3 (a) *A requirement for the retail liquor store or its delivery support service to*
4 *obtain proof, in the form of a signature or other verification, that the delivery was*
5 *accepted on behalf of the consumer by a person who is at least 21 years of age.*

6 (b) *A requirement that any such delivery originate only from the premises of*
7 *the retail liquor store during the operating hours of the retail liquor store.*

8 (c) *Regulations prescribing the area in which such deliveries may be made,*
9 *which must take into account relevant local jurisdictions and the marketing area*
10 *of the wholesaler of any liquor to be delivered.*

11 (d) *Provisions necessary to encourage local governments to coordinate their*
12 *ordinances with the regulations of the Department pursuant to this section to*
13 *provide for more uniform implementation, supervision and enforcement of the*
14 *regulations of the Department and the ordinances of local governments*
15 *concerning such deliveries.*

16 3. *Except as otherwise provided in this section, the provisions of this*
17 *chapter governing the transport of liquor, including, without limitation, the*
18 *provisions which authorize the transport of liquor for delivery only by a person*
19 *who holds a license issued under this chapter, do not apply to a delivery made*
20 *pursuant to this section.*

21 4. *As used in this section, "marketing area" has the meaning ascribed to it*
22 *in NRS 597.136.*

23 **Sec. 5.** NRS 369.190 is hereby amended to read as follows:

24 369.190 1. An application for any of the licenses described in NRS 369.180
25 must be made to:

26 (a) The board of county commissioners of the county in which the applicant
27 maintains his or her principal place of business if the applicant does not maintain
28 his or her principal place of business within the boundaries of an incorporated city;
29 or

30 (b) The governing body of the city in which the applicant maintains his or her
31 principal place of business if the applicant maintains his or her principal place of
32 business within the boundaries of an incorporated city.

33 2. Each application must:

34 (a) Be made on such form as the Department prescribes.

35 (b) Include the name and address of the applicant. If the applicant is:

36 (1) A partnership, the application must include the names and addresses of
37 all partners.

38 (2) A corporation, association or other organization, the application must
39 include the names and addresses of the president, vice president, secretary and
40 managing officer or officers.

41 (3) A person carrying on or transacting business in this state under an
42 assumed or fictitious name, the person making the application must attach to the
43 application:

44 (I) A certified copy of the certificate required by NRS 602.010 or any
45 renewal certificate required by NRS 602.035.

46 (II) A certificate signed by an officer of the corporation or by each
47 person interested in, or conducting or carrying on such business, or intending so to
48 do, and acknowledged before a person authorized to take acknowledgments of
49 conveyances of real property, indicating the name of the authorized representative
50 whose signature may be required on the license under the provisions of this chapter.

51 (c) Specify the location, by street and number, of the premises for which the
52 license is sought.

1 (d) Be accompanied by the annual license fee required for the particular license
2 for which application is made.

3 3. The board of county commissioners or the governing body of a city, as
4 applicable, shall examine all applications filed with it, and shall require satisfactory
5 evidence that the applicant is ~~{}:~~

6 (a) A person of good moral character ~~{};~~

7 (b) *Not acting in violation of NRS 369.180; and*

8 (c) *Not applying for a license for a business in which the applicant is*
9 *prohibited from engaging pursuant to NRS 369.382.*

10 **Sec. 6.** NRS 369.430 is hereby amended to read as follows:

11 369.430 1. By regulation, the Department shall prescribe the form of
12 application for and the form of a certificate of compliance, which must be printed
13 and distributed to exporters of liquor into this State to assist them in legally
14 exporting liquor into this State.

15 2. An intending importer may not legally receive or accept any shipment of
16 liquor except from a holder of a certificate of compliance.

17 3. Before a person may engage in business as a supplier ~~{} of liquor in this~~
18 *State*, the person must obtain a certificate of compliance from the Department.

19 4. The Department shall grant a certificate of compliance to any out-of-state
20 ~~{vendor of liquors}~~ *supplier* who undertakes in writing:

21 (a) To furnish the Department on or before the 10th day of each month a report
22 under oath showing the quantity and type of liquor sold and shipped by the ~~{vendor}~~
23 *out-of-state supplier* to each licensed importer of liquor in Nevada during the
24 preceding month;

25 (b) That the ~~{vendor}~~ *out-of-state supplier* and all his or her agents and any
26 other agencies controlled by the ~~{vendor}~~ *out-of-state supplier* will comply
27 faithfully with all laws of this State and all regulations of the Department respecting
28 the exporting of liquor into this State;

29 (c) That the ~~{vendor}~~ *out-of-state supplier* will make available for inspection
30 and copying by the Department any books, documents and records, whether within
31 or outside this State, which are pertinent to his or her activities or the activities of
32 his or her agents or any other agencies controlled by the ~~{vendor}~~ *out-of-state*
33 *supplier* within this State and which relate to the sale and distribution of his or her
34 liquors within this State; and

35 (d) That the ~~{vendor}~~ *out-of-state supplier* will appoint a resident of this State
36 as his or her agent for service of process or any notice which may be issued by the
37 Department.

38 5. If any holder of a certificate of compliance fails to keep any undertaking or
39 condition made or imposed in connection therewith, the Department may suspend
40 the certificate and conduct a hearing, giving the holder thereof a reasonable
41 opportunity to appear and be heard on the question of vacating the suspension order
42 or order finally revoking the certificate.

43 6. An applicant for a certificate of compliance must pay a fee of \$50 to the
44 Department for the certificate. On or before July 1 of each year, the certificate
45 holder must renew the certificate by satisfying the conditions of the original
46 certificate and paying a fee of \$50 to the Department.

47 **Sec. 6.3.** NRS 369.462 is hereby amended to read as follows:

48 369.462 A supplier who ships ~~{liquor}~~ *wine* into this state pursuant to
49 paragraph ~~{(b)-or}~~ (c) of subsection 2 of NRS 369.490 must pay the excise tax
50 levied pursuant to NRS 369.330.

51 **Sec. 6.7.** NRS 369.468 is hereby amended to read as follows:

52 369.468 A supplier who ships ~~{liquor}~~ *wine* into this state pursuant to
53 paragraph ~~{(b)-or}~~ (c) of subsection 2 of NRS 369.490 shall preserve for inspection

1 and audit by the Department and its agents, for a period of 4 years, all invoices and
2 lists of liquors shipped to a location in this state, specifying the:

- 3 1. Kind and quantity of ~~liquor~~ wine shipped in each order.
- 4 2. Name of the person to whom the ~~liquor~~ wine was shipped.
- 5 3. Place to which each order was shipped and the date of shipping.

6 **Sec. 7.** NRS 369.490 is hereby amended to read as follows:

7 369.490 1. Except as otherwise provided in subsection 2 and NRS 369.176
8 ~~and section 4.7 of this act~~, a person shall not directly or indirectly, himself or
9 herself or by his or her clerk, agent or employee, offer, keep or possess for sale,
10 furnish or sell, or solicit the purchase or sale of any liquor in this State, or transport
11 or import or cause to be transported or imported any liquor in or into this State for
12 delivery, storage, use or sale therein, unless the person:

- 13 (a) Has complied fully with the provisions of this chapter; ~~and~~
- 14 (b) Holds an appropriate, valid license, permit or certificate issued by the
15 Department ~~and~~; and
- 16 (c) *Has been duly designated by the supplier of that liquor pursuant to NRS*
17 *369.386 or purchased the liquor in compliance with NRS 369.486.*

18 2. Except as otherwise provided in subsection 3, the provisions of this chapter
19 do not apply to a person:

20 (a) Entering this State with a quantity of alcoholic beverage for household or
21 personal use which is exempt from federal import duty;

22 (b) ~~Who imports~~ *Entering this State with* 1 gallon or less of alcoholic
23 beverage per month from another state for his or her own household or personal
24 use;

25 (c) Who:

- 26 (1) Is a resident of this State;
- 27 (2) Is 21 years of age or older; and
- 28 (3) Imports 12 cases or less of wine per year for his or her own household
29 or personal use; or

30 (d) Who is lawfully in possession of wine produced on the premises of an
31 instructional wine-making facility for his or her own household or personal use and
32 who is acting in a manner authorized by NRS 597.245.

33 3. The provisions of subsection 2 do not apply to a supplier, wholesaler or
34 retailer while he or she is acting in his or her professional capacity.

35 4. A person who accepts ~~liquor~~ wine shipped into this State pursuant to
36 paragraph ~~(b) or~~ (c) of subsection 2 must be 21 years of age or older.

37 **Sec. 8.** This act becomes effective on July 1, 2021.