

SENATE BILL NO. 108—SENATOR NGUYEN

FEBRUARY 8, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing brew pubs. (BDR 52-296)

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

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

AN ACT relating to alcoholic beverages; revising the definition of “special event” for the purposes of certain provisions governing brew pubs; authorizing a person who operates a brew pub to engage in certain activities concerning the transport, storage and sale of malt beverages; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides for the licensure and operation of brew pubs in this State. (NRS 369.180, 597.230) Existing law authorizes a person who operates one or more brew pubs to sell at retail: (1) malt beverages that are manufactured on or off the premises of any of the brew pubs for consumption on the premises; and (2) malt beverages that are manufactured and sealed in packages on the premises of any of the brew pubs for consumption off the premises. (NRS 597.230) **Section 2** of this bill additionally authorizes a person who operates one or more brew pubs to sell at retail: (1) malt beverages that are manufactured on or off the premises of any of the brew pubs for consumption at any other location operated by the person; and (2) malt beverages that are manufactured on the premises of any of the brew pubs and which are sealed in packages at any other location operated by the person for consumption off the premises. **Section 2** also authorizes such a person to transport malt beverages to and store malt beverages at any location operated by the person for the purpose of conducting such sales.

Existing law authorizes a person who operates a brew pub to transport malt beverages to a licensed retailer, other than a person who operates a brew pub, for the purpose of selling the malt beverages at a special event in this State. (NRS 597.230) **Section 2** authorizes a person who operates a brew pub to transport malt beverages to another person who operates a brew pub for the purpose of selling the malt beverages at a special event in this State.

Existing law defines a special event as an event that lasts not longer than 1 calendar day and occurs at a farmers’ market or at an event designated as a county fair. (NRS 597.200) **Section 1** of this bill revises that definition to instead define a



24 special event as an event that lasts not longer than 3 calendar days and for which a
25 permit has been issued by the local government where the event is conducted.

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

1 **Section 1.** NRS 597.200 is hereby amended to read as follows:
2 597.200 As used in NRS 597.190 to 597.255, inclusive, unless
3 the context otherwise requires:

4 1. "Alcoholic beverage" means any malt beverage or
5 spirituous, vinous or malt liquor which contains 1 percent or more
6 ethyl alcohol by volume.

7 2. "Brew pub" means an establishment which manufactures
8 malt beverages and sells those malt beverages at retail pursuant to
9 the provisions of NRS 597.230.

10 3. "Case of spirits" means 12 bottles, each containing 750
11 milliliters of distilled spirits.

12 4. "Craft distillery" means an establishment which:

13 (a) Manufactures distilled spirits from agricultural raw materials
14 through distillation; and

15 (b) Is authorized to sell those distilled spirits pursuant to the
16 provisions of this chapter.

17 5. "Distillation" means the process of producing or purifying
18 spirituous liquor by successive evaporation and condensation.

19 6. "Engage in" includes participation in a business as an owner
20 or partner, or through a subsidiary, affiliate, ownership equity or in
21 any other manner.

22 7. "Estate distillery" means an establishment which:

23 (a) Manufactures distilled spirits from agricultural raw materials
24 through distillation, provided that 85 percent of such agricultural
25 raw materials, in the aggregate, were grown on land within this State
26 which is owned or controlled by the owner of the distillery; and

27 (b) Is authorized to sell those distilled spirits pursuant to the
28 provisions of this chapter.

29 8. "Instructional wine-making facility" means an instructional
30 wine-making facility operated pursuant to NRS 597.245.

31 9. "Legal age" means the age at which a person is legally
32 permitted to purchase an alcoholic beverage pursuant to
33 NRS 202.020.

34 10. "Malt beverage" means beer, ale, porter, stout and other
35 similar fermented beverages of any name or description, brewed or
36 produced from malt, wholly or in part.

37 11. "Special event" means an event : ~~{that:}~~

38 (a) ~~{lasts}~~ *That lasts* not longer than ~~{1}~~ 3 calendar ~~{day:}~~ *days;*
39 and



1 (b) ~~Occurs at:~~
2 ~~(1) A farmers' market, as defined in NRS 244.336; or~~
3 ~~(2) An event designated as a county fair by a county fair and~~
4 ~~recreation board appointed pursuant to NRS 244A.599, 244A.601 or~~
5 ~~244A.603.] For which a permit has been issued by the local~~
6 ~~government where the event is conducted.~~

7 12. "Supplier" has the meaning ascribed to it in NRS 597.140.

8 13. "Wine" has the meaning ascribed to it in NRS 369.140.

9 **Sec. 2.** NRS 597.230 is hereby amended to read as follows:

10 597.230 1. In any county, a person may operate a brew pub:

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

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

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

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

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

26 2. The premises of any brew pub operated pursuant to this
27 section must be conspicuously identified as a "brew pub."

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

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

34 (1) Sell and transport the malt beverages manufactured on
35 the premises to a person holding a valid wholesale wine and liquor
36 dealer's license or wholesale beer dealer's license issued pursuant to
37 chapter 369 of NRS.

38 (2) *Transport the malt beverages manufactured on the*
39 *premises to and store the malt beverages at any other location that*
40 *is operated by the person for the purpose of selling the malt*
41 *beverages at retail pursuant to paragraph (c) or (d).*

42 (3) Donate for charitable or nonprofit purposes and, for the
43 purposes of the donation, transport the malt beverages manufactured
44 on the premises in accordance with the terms and conditions of a
45 special permit for the transportation of the malt beverages obtained



1 from the Department of Taxation pursuant to subsection 4 of
2 NRS 369.450.

3 ~~[(3)]~~ (4) Transfer in bulk the malt beverages manufactured
4 on the premises:

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

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

20 (b) Manufacture and store malt beverages on the premises of
21 one or more of the brew pubs and transport the malt beverages
22 manufactured on the premises to a retailer, ~~[other than]~~ **including,**
23 **without limitation,** a person who operates a brew pub pursuant to
24 this section, that holds a valid license pursuant to chapter 369 of
25 NRS for the purpose of selling the malt beverages at a special event
26 in accordance with the terms and conditions of a special permit for
27 the transportation of the malt beverages obtained from the
28 Department of Taxation pursuant to subsection 4 of NRS 369.450.
29 For the purposes of this paragraph, the person who operates one or
30 more brew pubs shall not obtain more than 20 such special permits
31 for the transportation of the malt beverages from the Department of
32 Taxation pursuant to subsection 4 of NRS 369.450 within a calendar
33 year.

34 (c) Sell at retail, not for resale, malt beverages manufactured on
35 or off the premises of one or more of the brew pubs for consumption
36 on the premises ~~[(3)]~~ **or at any other location operated by the person.**

37 (d) Sell at retail, not for resale, in packages sealed on the
38 premises of one or more of the brew pubs ~~[(3)]~~ **or at any other**
39 **location operated by the person,** malt beverages, including malt
40 beverages in unpasteurized form, manufactured on the premises for
41 consumption off the premises.

42 (e) In a calendar year, in addition to the amount of malt
43 beverages which may be manufactured pursuant to subsection 1,
44 manufacture and sell 20,000 barrels of malt beverages for all the
45 brew pubs he or she operates in this State provided such barrels are



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

4 4. The amount of malt beverages sold pursuant to paragraphs
5 (b), (c) and (d) of subsection 3 must not exceed a total of 5,000
6 barrels in any calendar year. Of the 5,000 barrels, not more than
7 1,000 barrels may be sold in kegs.

8 **Sec. 3.** This act becomes effective on July 1, 2023.



