

Senate Bill No. 307–Senator Dondero Loop

CHAPTER.....

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:

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

Section 1 of this bill provides that a provision of any contract or other agreement that attempts to alter or waive the provisions of law governing a franchise between a supplier and a wholesaler of malt beverages, distilled spirits and wines is void and unenforceable. **Sections 1.3 and 3.5** of this bill make conforming changes to indicate the proper placement of **section 1** in the Nevada Revised Statutes.

Section 3 of this bill prohibits a supplier from: (1) failing to approve or disapprove an invoice or claim for reimbursement within 45 days or failing to pay an invoice or claim for reimbursement within 45 days after such approval; (2) entering into an agreement with a wholesaler which purports to waive the rights and remedies of the wholesaler if the supplier retaliates against the wholesaler for reporting a violation of law to the Department of Taxation; (3) requiring a wholesaler to make payments under terms that are materially different from the payment terms applicable to payments made by the supplier; or (4) withdrawing



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

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

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

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

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

Section 4.7 of this bill authorizes a retail liquor store, or a delivery support service acting on behalf of a retail liquor store, to deliver liquor in its original package to a consumer in connection with a retail sale of such liquor if: (1) the liquor was purchased by the retail liquor store from a licensed wholesaler; and (2) the delivery takes place in a jurisdiction where the retail liquor store is licensed to sell liquor at retail. **Section 4.7** requires the Department of Taxation to adopt regulations governing such deliveries. **Section 4.7** also exempts such deliveries from certain provisions of law governing the transport of liquor, including laws which authorize the transport of liquor for delivery only by persons who have been issued certain state licenses.



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

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

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

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

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

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

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

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

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

597.157 1. A supplier shall ~~not unreasonably withhold or delay approval of~~ *approve* any assignment, sale or transfer of the stock of a wholesaler or of all or any portion of a wholesaler’s assets, a wholesaler’s voting stock, the voting stock of any parent corporation or the beneficial ownership or control of any other entity owning or controlling the wholesaler, including the wholesaler’s rights and obligations under the terms of a franchise, ~~whenever a~~ *within 60 days after receiving notice of the transaction if the* person to be substituted under the terms of the franchise meets reasonable standards imposed upon the wholesaler and any other wholesaler of the supplier of the same general class,



after consideration of the size and location of the marketing area of the wholesaler. *A supplier shall approve or deny approval of the transaction in writing and, if approval of the transaction is denied, state the material reasons for the denial. If a supplier does not approve or deny approval of the transaction within 60 days after receiving notice of the transaction, the transaction shall be deemed approved.*

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

3. Upon the death of any owner, controlling shareholder or operator of a wholesaler, a supplier shall not deny approval of any transfer of ownership to a surviving spouse, child or grandchild of the owner who has reached the age of majority at the time of death, controlling shareholder or operator. Any subsequent transfer of ownership by the spouse, child, grandchild, controlling shareholder or operator is subject to the provisions of subsection 1.

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

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

Sec. 2. (Deleted by amendment.)

Sec. 3. NRS 597.162 is hereby amended to read as follows:
597.162 A supplier shall not:

1. Prohibit a wholesaler from selling an alcoholic beverage of any other supplier;
2. Prevent a wholesaler from using best efforts to sell, market, advertise or promote an alcoholic beverage of any other supplier;
3. Provide any reward or penalty to, or in any other way condition its relationship with, a wholesaler based upon the amount



of sales the wholesaler makes of an alcoholic beverage of any other supplier;

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

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

6. Fix or maintain the price at which a wholesaler may resell an alcoholic beverage purchased from the supplier;

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

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

9. 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~~ *—11.] or enter into an agreement with a wholesaler which purports to waive any right or remedy of the wholesaler pursuant to this subsection;*

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 ;

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

13. Fail to pay to a wholesaler the amount of any invoice or claim for reimbursement within 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.

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



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

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

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

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

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

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

(I) To a person holding a valid wholesale wine and liquor dealer’s license or wholesale beer dealer’s license issued pursuant to chapter 369 of NRS for the purpose of transferring in bulk the malt beverages 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 malt beverages pursuant to 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 and must be performed in accordance with the terms and conditions of a special permit for the transportation of the malt beverages obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

(b) Manufacture and store malt beverages on the premises of one or more of the brew pubs and transport the malt beverages manufactured on the premises to a retailer, other than a person who operates a brew pub pursuant to this section, that holds a valid license pursuant to chapter 369 of NRS for the purpose of selling the malt beverages at a special event in accordance with the terms and conditions of a special permit for the transportation of the malt beverages obtained from the Department of Taxation pursuant to



subsection 4 of NRS 369.450. For the purposes of this paragraph, the person who operates one or more brew pubs shall not obtain more than 20 such special permits for the transportation of the malt beverages from the Department of Taxation pursuant to subsection 4 of NRS 369.450 within a calendar year.

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

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

(e) In a calendar year, in addition to the amount of malt beverages which may be manufactured pursuant to subsection 1, manufacture and sell 20,000 barrels of malt beverages for all the brew pubs he or she operates in this State provided such barrels are sold to a wholesaler located outside of this State, subject to such periodic auditing as the Department of Taxation shall require by regulation.

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

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

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

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

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

(c) Complies with any other applicable governmental requirements.

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

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

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

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



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

(3) A winery that has been issued a wine-maker's license pursuant to NRS 369.200 on or after October 1, 2015, 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.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

(1) 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

(2) If there is no wholesaler who is able or willing to accept and transfer in bulk the wine pursuant to subparagraph (1), 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 and must be performed in accordance with the terms and conditions of a special permit for the transportation of the wine obtained from the Department of Taxation 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.

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

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



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

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

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

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

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

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

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

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

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

2. Each application must:

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) That the ~~{vendor}~~ *out-of-state supplier* and all his or her agents and any other agencies controlled by the ~~{vendor}~~



out-of-state supplier will comply faithfully with all laws of this State and all regulations of the Department respecting the exporting of liquor into this State;

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

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

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

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

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

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

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

369.468 A supplier who ships ~~{liquor}~~ *wine* into this state pursuant to paragraph ~~{(b)-or}~~ (c) of subsection 2 of NRS 369.490 shall preserve for inspection and audit by the Department and its agents, for a period of 4 years, all invoices and lists of liquors shipped to a location in this state, specifying the:

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

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

369.490 1. Except as otherwise provided in subsection 2 and NRS 369.176 ~~{}~~ *and section 4.7 of this act*, a person shall not directly or indirectly, himself or herself or by his or her clerk, agent or employee, offer, keep or possess for sale, furnish or sell, or solicit



the purchase or sale of any liquor in this State, or transport or import or cause to be transported or imported any liquor in or into this State for delivery, storage, use or sale therein, unless the person:

(a) Has complied fully with the provisions of this chapter; ~~and~~

(b) Holds an appropriate, valid license, permit or certificate issued by the Department ~~;~~; *and*

(c) Has been duly designated by the supplier of that liquor pursuant to NRS 369.386 or purchased the liquor in compliance with NRS 369.486.

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

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

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

(c) Who:

(1) Is a resident of this State;

(2) Is 21 years of age or older; and

(3) Imports 12 cases or less of wine per year for his or her own household or personal use; or

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

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

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

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

