

Amendment No. 241

Senate Amendment to Senate Bill No. 259	(BDR 52-676)
Proposed by: Senate Committee on Commerce and Labor	
Amends: Summary: No Title: Yes 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.



SENATE BILL NO. 259—SENATORS DONDERO LOOP; CANNIZZARO, DONATE, D.
HARRIS, NGUYEN AND PAZINA

MARCH 13, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to alcoholic beverages. (BDR 52-676)

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

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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; authorizing certain wineries to sell wine at one ~~other~~ **additional** location other than its premises; revising ~~certain limitations imposed on certain wineries concerning~~ **provisions governing** the amount of wine that may be sold by ~~the winery~~ **certain wineries** each calendar year; ~~requiring~~ **authorizing** the State Board of Agriculture to adopt ~~certain~~ regulations ~~relating to~~ **creating a certification for certain** wine; revising procedures for the imposition of certain disciplinary action against a person who holds a license to engage in certain activities related to alcohol; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the operation of wineries in this State. Under existing law, a winery that has been issued a wine-maker's license on or before September 30, 2015, is authorized to sell at retail or serve by the glass, on its premises and at one other location, wine produced, blended or aged by the winery. (NRS 597.240) **Section 1** of this bill ~~removes a limitation set forth in existing law restricting the amount of wine sold by such a winery at a location other than on its premises to not more than 50 percent of the total volume of wine sold by the winery. Additionally, section 1~~ authorizes a winery that has been issued a wine-maker's license on or after October 1, 2015, to also sell at retail or serve by the glass **at one other location in addition to its premises**, wine produced, blended or aged by the winery. ~~at one other location in addition to its premises.~~

If a winery has been issued a wine-maker's license on or after October 1, 2015, and 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, existing law limits the amount of wine that the winery is authorized to sell at retail or serve by the glass to 1,000 cases per calendar year. (NRS 597.240) **Section 1** increases that limit to 2,000 cases and additionally authorizes such a winery to sell at retail or serve by the glass not more than 150 barrels of cider produced by the winery per calendar year.

Existing law authorizes the State Board of Agriculture to adopt regulations for the purposes of ensuring that a winery is in compliance with certain federal labeling requirements. (NRS 597.240) **Section 1** ~~instead requires the Board to adopt those regulations and additionally requires~~ **additionally authorizes** the Board to adopt regulations creating a

22 certification for wine produced, blended or aged from fruit grown or honey produced in this
23 State.

24 Existing law provides for the licensure of importers, wholesale wine and liquor dealers,
25 wholesale beer dealers, wine-makers, instructional wine-making facilities, breweries, brew
26 pubs, craft distilleries and estate distilleries. (Chapter 369 of NRS) Existing law sets forth a
27 process by which a board of county commissioners or the governing body of an incorporated
28 city may, after an investigation, the issuance of a citation for a licensee to answer a verified
29 complaint and a hearing, recommend to the Department of Taxation the suspension or
30 revocation of the license of a licensee. (NRS 369.240, 369.250, 369.260) **Section 2** of this bill
31 revises that process to require a hearing to be conducted and a decision to be rendered
32 recommending the suspension or revocation of a license, or the dismissal of a complaint,
33 within 60 days after a citation is served upon a licensee.

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

1 **Section 1.** NRS 597.240 is hereby amended to read as follows:

2 597.240 1. A winery, including a winery that consists of multiple
3 noncontiguous locations, that is federally bonded and permitted by the Alcohol and
4 Tobacco Tax and Trade Bureau of the United States Department of the Treasury,
5 including, without limitation, an alternating proprietorship of not more than four
6 such wineries, and that has been issued a wine-maker's license for each
7 noncontiguous location of the winery pursuant to NRS 369.200 may:

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

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

13 2. A winery that has been issued a wine-maker's license pursuant to NRS
14 369.200 on or before September 30, 2015, may:

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

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

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

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

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

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

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

1 (1) Sell at retail or serve by the glass, on its premises ~~+~~ *and at one other*
2 *location*, wine produced, blended or aged by the winery.

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

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

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

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

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

16 (II) Complies with NRS 369.487.

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

20 (1) Sell at retail or serve by the glass, on its premises ~~+~~ *and at one other*
21 *location*, not more than ~~+~~ *2,000* cases of wine produced, blended or aged by
22 the winery *and not more than 150 barrels of cider produced by the winery* per
23 calendar year.

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

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

28 (II) Complies with NRS 369.487.

29 4. The State Board of Agriculture ~~may~~ *shall* adopt regulations for the
30 purposes of ensuring that a winery is in compliance with any requirements
31 established by the Federal Government for labeling bottles of wine produced,
32 blended or aged by the winery ~~+~~ *and to create a certification for wine produced,*
33 *blended or aged from fruit grown or honey produced in this State* ~~+~~ *based on a*
34 *review of filings that the winery applying for the certification is required to*
35 *provide to the Alcohol and Tobacco Tax and Trade Bureau of the United States*
36 *Department of the Treasury.*

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

39 6. *As used in this section, "cider" means a wine that contains not less than*
40 *one-half of 1 percent of alcohol by volume and not more than 8.5 percent of*
41 *alcohol by volume that is produced from the fermentation of the juice of sound,*
42 *ripe apples or pears, or both. The term includes, without limitation, sparkling or*
43 *carbonated cider and cider produced from the condensed must of apples or pears,*
44 *or both.*

45 **Sec. 2.** NRS 369.260 is hereby amended to read as follows:

46 369.260 1. Upon the hearing, the board of county commissioners or the
47 governing body of a city, as applicable, shall hear all relevant and competent
48 evidence offered by the complainant and by the licensee.

49 2. After the hearing is concluded and the matter submitted, the board of
50 county commissioners or the governing body of a city, as applicable, shall, within
51 10 days after such submission ~~+~~ *and within 60 days after the date of service of the*
52 *citation issued pursuant to NRS 369.240*, render its decision in writing

1 recommending the suspension or revocation of the license, or dismissing the
2 complaint, with a statement of the board's or the governing body's reasons therefor.

3 3. The board of county commissioners or the governing body of a city, as
4 applicable, shall give to the complainant and to the licensee, or their respective
5 attorneys, notice of such recommendation, by mail, in the same manner as
6 prescribed in this chapter for the giving of notice of hearing.

7 4. A copy of the decision of the board of county commissioners or the
8 governing body of a city recommending the suspension or revocation of a license
9 shall be transmitted forthwith by the board or the governing body, as applicable, to
10 the Department. Thereupon, the Department shall cause the license to be suspended
11 or revoked and shall give notice thereof in the same manner as provided in NRS
12 369.240.

13 **Sec. 3.** 1. This section becomes effective upon passage and approval.

14 2. Sections 1 and 2 of this act become effective:

15 (a) Upon passage and approval for the purpose of adopting any regulations and
16 performing any other preparatory administrative tasks that are necessary to carry
17 out the provisions of this act; and

18 (b) On October 1, 2023, for all other purposes.