
ASSEMBLY BILL NO. 78—COMMITTEE ON REVENUE

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

PREFILED NOVEMBER 20, 2024

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to licenses for the distribution of alcoholic beverages. (BDR 32-283)

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 provisions governing the review and approval of applications for certain licenses related to the distribution of alcoholic beverages; authorizing the Department of Taxation to conduct certain investigations and hearings; revising provisions governing the suspension or revocation of certain licenses related to the distribution of alcoholic beverages; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires certain persons and businesses that are importers of
2 liquor, wholesale dealers of beer or wines and liquors, wineries, instructional wine-
3 making facilities, breweries, brew pubs, craft distilleries and estate distilleries to
4 obtain a state license or permit from the Department of Taxation. (NRS 369.180)
5 Under existing law, an applicant for such a license is required to submit an
6 application to: (1) the board of county commissioners of the county in which the
7 applicant maintains his or her principal place of business if the applicant does not
8 maintain his or her principal place of business within the boundaries of an
9 incorporated city; or (2) the governing body of the city in which the applicant
10 maintains his or her principal place of business if the applicant maintains his or her
11 principal place of business within the boundaries of an incorporated city. (NRS
12 369.190) Existing law requires the board of county commissioners or the governing
13 body of the city, as applicable, to approve or disapprove the application and, if the
14 application is approved, forward the application to the Department for review and
15 issuance of the license. (NRS 369.200)
16 Existing law requires the board of county commissioners or the governing body
17 of a city, as applicable, to require satisfactory evidence that an applicant meets



18 certain requirements, including that the applicant is not a supplier of alcoholic
19 beverages applying for a license to engage in the business of importing,
20 wholesaling or retailing alcoholic beverages in violation of existing law. (NRS
21 369.190, 369.382) **Section 1** of this bill additionally requires the board of county
22 commissioners or the governing body of a city, as applicable, to require satisfactory
23 evidence that an applicant is not an importer or wholesaler of alcoholic beverages
24 applying for a license to engage in another business in violation of existing law
25 governing the distribution of alcoholic beverages. (NRS 597.220)

26 **Section 2** of this bill requires the board of county commissioners or the
27 governing body of a city to: (1) determine whether to recommend that an
28 application be approved or disapproved by the Department rather than approve or
29 disapprove applications; and (2) forward to the Department each application, the
30 recommendation and all documents supplied by the applicant which were reviewed
31 by the board or governing body in determining whether to recommend that the
32 application be approved or disapproved.

33 Existing law authorizes the board of county commissioners or the governing
34 body of a city, as applicable, to investigate complaints against a licensee, conduct
35 hearings and recommend to the Department, under certain circumstances, the
36 revocation or suspension of a license. (NRS 369.230-369.290) **Sections 3-7** of this
37 bill provide for the Department to also perform these functions in the same manner
38 as a board of county commissioners or governing body of a city and authorize the
39 Department to revoke or suspend a license without receiving a recommendation
40 from a board of county commissioners or governing body of a city. **Section 4**
41 authorizes the Department, the board of county commissioners or the governing
42 body of a city, as applicable, to extend the time for a licensee to file an answer to a
43 complaint under certain circumstances, and **section 6** revises the period within
44 which a decision on the complaint must be rendered if the time for filing an answer
45 is extended. **Section 6** also removes the requirement for the Department to suspend
46 or revoke a license upon receiving a recommendation for such action from a board
47 of county commissioners or governing body of a city, and instead authorizes the
48 Department to suspend or revoke a license upon receiving such a recommendation.
49 (NRS 369.260)

50 Existing law authorizes the board of county commissioners or the governing
51 body of a city, as applicable, to suspend or revoke summarily a license in cases
52 where an aggravated and flagrant violation of law appears to have occurred, subject
53 to review by the Department at a hearing. (NRS 369.280) **Section 8** of this bill
54 similarly authorizes the Department to suspend or revoke summarily the license of
55 a person in cases where an aggravated and flagrant violation of law appears to have
56 occurred, subject to the same requirements in existing law for notice and a public
57 hearing.

58 Existing law authorizes counties and incorporated cities to license and regulate
59 persons engaged in a business in their jurisdictions related to the distribution or sale
60 of alcoholic beverages. (NRS 244.350, 268.090) **Sections 9 and 10** of this bill
61 prohibit counties and cities from issuing a license to a person who is required to
62 obtain a license from the Department unless the Department has issued such a
63 license and the license is in good standing.

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

1 **Section 1.** NRS 369.190 is hereby amended to read as follows:
2 369.190 1. An application for any of the licenses described in
3 NRS 369.180 must be made to:



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

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

9 2. Each application must:

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

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

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

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

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

21 (I) A certified copy of the certificate required by NRS
22 602.010 or any renewal certificate required by NRS 602.035.

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

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

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

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

37 (a) A person of good moral character;

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

39 (c) Not applying for a license for a business in which the
40 applicant is prohibited from engaging pursuant to NRS 369.382 ~~;~~
41 *and*

42 *(d) Not applying for a license for a business in which the*
43 *applicant is prohibited from engaging pursuant to NRS 597.220.*



1 **Sec. 2.** NRS 369.200 is hereby amended to read as follows:

2 369.200 1. The board of county commissioners or the
3 governing body of a city, as applicable, shall ~~[approve or disapprove~~
4 ~~applications. If an application is disapproved by the board of county~~
5 ~~commissioners or the governing body of a city, the board or the~~
6 ~~governing body, as applicable, forthwith shall return the license fee~~
7 ~~accompanying the application to the applicant. If the board of~~
8 ~~county commissioners or the governing body of a city approves an~~
9 ~~application, the]~~ *review an application submitted pursuant to NRS*
10 *369.190 and determine whether to recommend that the application*
11 *be approved or disapproved by the Department. The* board or the
12 governing body, as applicable, shall forward ~~[it]~~ to the Department
13 ~~[, together with the board's or the governing body's]~~ :

14 (a) *The application;*

15 (b) *All documents supplied by the applicant which were*
16 *reviewed by the board or governing body in determining whether*
17 *to recommend that the application be approved or disapproved;*

18 (c) *The written* ~~[approval thereof and the]~~ *recommendation of*
19 *the board or governing body; and*

20 (d) *The license fee accompanying the application.*

21 2. Upon receipt thereof the Department shall review the
22 application and ~~[approval.]~~ *recommendation* and, if ~~[no further~~
23 ~~objections are presented or known,]~~ *all requirements of law are*
24 *met*, shall issue the appropriate license to the applicant. *If an*
25 *application is disapproved by the Department, the Department*
26 *forthwith shall return the license fee accompanying the*
27 *application to the applicant.*

28 ~~[3.— In its discretion, the Department may grant an applicant~~
29 ~~whose application has been disapproved a new hearing before the~~
30 ~~Department if it shall be made to appear to the Department that the~~
31 ~~decision of the board of county commissioners or the governing~~
32 ~~body of a city, as applicable, was arbitrary, unreasonable or unjust.]~~

33 **Sec. 3.** NRS 369.230 is hereby amended to read as follows:

34 369.230 The *Department, the* board of county commissioners
35 or the governing body of a city, as applicable, may, upon its own
36 motion, and shall, upon the verified complaint in writing of any
37 person, investigate the action of any licensee under this chapter . ~~[~~
38 ~~and]~~ *The Department shall have the power to temporarily suspend*
39 *or permanently revoke a license and the board of county*
40 *commissioners or the governing body of a city, as applicable,* shall
41 have power to recommend the temporary suspension or permanent
42 revocation of a license for any one of the following acts or
43 omissions:

44 1. Misrepresentation of a material fact by the applicant in
45 obtaining a license under this chapter;



1 2. If the licensee violates or causes or permits to be violated
2 any of the provisions of this chapter;

3 3. If the licensee commits any act which would be sufficient
4 ground for the denial of an application for a license under this
5 chapter;

6 4. If the licensee sells liquor to a wholesaler or retailer who is
7 not a holder of a proper license or permit at such time; or

8 5. If the licensee fails to pay the excise tax or any penalty in
9 connection therewith, in whole or in part, imposed by law, or
10 violates any regulation of the Department respecting the same.

11 **Sec. 4.** NRS 369.240 is hereby amended to read as follows:

12 369.240 1. Upon the filing with *the Department*, the board of
13 county commissioners of the county in which a licensee maintains
14 his or her principal place of business or ~~[with]~~ the governing body
15 of the city in which the licensee maintains his or her principal place
16 of business , if the licensee maintains his or her principal place of
17 business within an incorporated city , of a verified complaint
18 charging the licensee with the commission, within 1 year prior to the
19 date of filing the complaint, of any act which is cause for suspension
20 or revocation of a license, *the Department*, the board of county
21 commissioners or the governing body, as applicable, forthwith shall
22 issue a citation directing the licensee, within 10 days after service
23 thereof upon him or her, to appear by filing with *the Department*,
24 the board of county commissioners or the governing body, as
25 applicable, a verified answer to the complaint showing cause, if any
26 he or she has, why his or her license should not be suspended or
27 revoked. Service of the citation with a copy of the complaint shall
28 be made upon the licensee as provided by the Nevada Rules of Civil
29 Procedure for the service of process in civil actions. *Upon*
30 *application of a licensee, the Department, the board of county*
31 *commissioners or the governing body, as applicable, may, for good*
32 *cause shown, extend by not more than 30 days the time for filing*
33 *an answer to the complaint.*

34 2. Failure of the licensee to *timely file an* answer ~~[within the~~
35 ~~time specified]~~ shall be deemed an admission by the licensee of the
36 commission of the act or acts charged in the complaint. Thereupon,
37 *if the complaint was filed with the* board of county commissioners
38 *or the governing body of a city, the board of county commissioners*
39 *or the governing body*, as applicable, shall give written notice of the
40 failure of the licensee to answer to the Department. The Department
41 forthwith shall suspend or revoke the license, as the case may be,
42 and shall give notice of such suspension or revocation by mailing a
43 true copy thereof, by United States registered or certified mail in a
44 sealed envelope with postage thereon fully prepaid, addressed to the



1 licensee at his or her latest address of record in the office of the
2 Department.

3 **Sec. 5.** NRS 369.250 is hereby amended to read as follows:

4 369.250 1. Upon the filing of the answer, *the Department,*
5 the board of county commissioners or the governing body of a city,
6 as applicable, shall fix a time and place for a hearing and give the
7 licensee and the complainant not less than 5 days' notice thereof.
8 The notice may be served by ~~depositing~~:

9 (a) *Depositing* in the United States mail a true copy of the notice
10 enclosed in a sealed envelope with postage thereon fully prepaid,
11 addressed to the licensee and to the complainant, respectively, at
12 their last known addresses ~~;~~; *or*

13 (b) *Electronic mail if the licensee or complainant, as*
14 *applicable, agrees to receive service in this manner.*

15 2. With the notice to the complainant, there shall be attached
16 or enclosed a copy of the answer. If either party has appeared by
17 counsel the notice shall be given, in like manner, to counsel instead
18 of to the party.

19 **Sec. 6.** NRS 369.260 is hereby amended to read as follows:

20 369.260 1. Upon the hearing, *the Department,* the board of
21 county commissioners or the governing body of a city, as
22 applicable, shall hear all relevant and competent evidence offered by
23 the complainant and by the licensee.

24 2. After the hearing is concluded and the matter submitted, ~~the~~
25 ~~board of county commissioners or the governing body of a city, as~~
26 ~~applicable, shall,~~ within 10 days after such submission and within
27 60 days after the date of service of the citation issued pursuant to
28 NRS 369.240 ~~;~~ *or, if the time for filing an answer to the*
29 *complaint was extended, within 90 days after the date of service of*
30 *such citation:*

31 (a) *If the hearing was held before the board of county*
32 *commissioners or the governing body of a city, the board or*
33 *governing body, as applicable, shall* render its decision in writing
34 recommending the suspension or revocation of the license, or
35 dismissing the complaint, with a statement of the board's or the
36 governing body's reasons therefor.

37 (b) *If the hearing was held before the Department, the*
38 *Department shall render its decision in writing suspending or*
39 *revoking the license, or dismissing the complaint, with a statement*
40 *of the Department's reasons therefor.*

41 3. The *Department, the* board of county commissioners or the
42 governing body of a city, as applicable, shall give to the
43 complainant and to the licensee, or their respective attorneys, notice
44 of such ~~recommendation,~~ *decision,* by mail ~~;~~ *or electronic mail,*



1 in the same manner as prescribed in this chapter for the giving of
2 notice of hearing.

3 4. A copy of the decision of the board of county commissioners
4 or the governing body of a city recommending the suspension or
5 revocation of a license shall be transmitted forthwith by the board or
6 the governing body, as applicable, to the Department. ~~Thereupon,~~
7 *Upon receiving such decision,* the Department ~~shall~~ *may* cause
8 the license to be suspended or revoked and *, if the Department*
9 *suspends or revokes the license, the Department* shall give notice
10 thereof in the same manner as provided in NRS 369.240.

11 **Sec. 7.** NRS 369.270 is hereby amended to read as follows:

12 369.270 1. Notwithstanding any other provision of this
13 chapter, before suspending or revoking any license, the Department,
14 in its discretion, may:

15 (a) If the licensee has not appeared pursuant to the provisions of
16 NRS 369.240, permit the licensee to appear before *the Department,*
17 the board of county commissioners or the governing body of a city,
18 as applicable, and make a showing on his or her behalf if it is made
19 to appear to the Department that the licensee's neglect to appear
20 before *the Department,* the board of county commissioners or the
21 governing body was excusable.

22 (b) If a hearing was had ~~in~~ *before the board of county*
23 *commissioners or the governing body of a city,* grant the licensee a
24 new hearing before the Department if it shall be made to appear to
25 the Department that the decision of the board of county
26 commissioners or the governing body of a city, as applicable, was
27 arbitrary, unreasonable or unjust.

28 2. After any new hearing before the Department, the
29 Department shall enter a final order revoking or refusing to revoke
30 the license affected.

31 **Sec. 8.** NRS 369.280 is hereby amended to read as follows:

32 369.280 1. Notwithstanding any other provision of this
33 chapter, the board of county commissioners or the governing body
34 of a city, as applicable, shall have the right to suspend or revoke
35 summarily any license in cases appearing to it to be of an
36 aggravated and flagrant violation of law.

37 2. On request, in all such cases, the Department shall conduct a
38 hearing ~~covering~~ *to review* the proceedings and evidence, if any,
39 ~~before~~ *relied upon by* the board of county commissioners or the
40 governing body of a city, as applicable, *in summarily suspending*
41 *or revoking the license* and any additional evidence offered by the
42 board of county commissioners, the governing body or the licensee.

43 3. The hearing before the Department *pursuant to subsection 2*
44 shall be had on reasonable notice of time, place and subject matter
45 to the licensee and the board of county commissioners or the



1 governing body of a city, as applicable, and the Department shall
2 decide the matter without delay by either confirming, modifying or
3 setting aside the action of the board of county commissioners or the
4 governing body, as applicable.

5 4. ~~[(H)]~~ *Notwithstanding any other provision of this chapter,*
6 ~~the Department [finds that a licensee is violating any of the~~
7 ~~provisions of this chapter, the Department may issue a summary~~
8 ~~suspension of the violator's license.] shall have the right to suspend~~
9 ~~or revoke summarily any license in cases appearing to it to be of~~
10 ~~an aggravated and flagrant violation of law.~~ The Department shall
11 notify the board of county commissioners or the governing body of
12 a city, as applicable, of such suspension ~~[.]~~ *or revocation.* Within 10
13 days after such notice the Department shall conduct a public hearing
14 in the matter . ~~[in the appropriate county or city, as applicable.]~~ The
15 board of county commissioners or the governing body of a city, as
16 applicable, may appear before the Department at the hearing.

17 **Sec. 9.** NRS 244.350 is hereby amended to read as follows:

18 244.350 1. The board of county commissioners and, in a
19 county whose population is less than 700,000, the sheriff of that
20 county, constitute a liquor board. The liquor board may, without
21 further compensation, grant or refuse liquor licenses, and revoke
22 those licenses whenever there is, in the judgment of a majority of
23 the board, sufficient reason for revocation. The board shall elect a
24 chair from among its members.

25 2. Except as otherwise provided in this section, the liquor
26 board in each of the several counties shall enact ordinances:

27 (a) Regulating the sale of intoxicating liquors in their respective
28 counties.

29 (b) Fixing the hours of each day during which liquor may be
30 sold or disposed of.

31 (c) Prescribing the conditions under which liquor may be sold or
32 disposed of.

33 (d) Prohibiting the employment or service of minors in the sale
34 or disposition of liquor.

35 (e) Prohibiting the sale or disposition of liquor in places where,
36 in the judgment of the board, the sale or disposition may tend to
37 create or constitute a public nuisance, or where by the sale or
38 disposition of liquor a disorderly house or place is maintained.

39 3. In a county whose population is 700,000 or more, the liquor
40 board shall refer any petition for a liquor license to the metropolitan
41 police department. The department shall conduct an investigation
42 relating to the petition and report its findings to the liquor board at
43 the next regular meeting of the board.



1 4. All liquor dealers within any incorporated city are exempt
2 from the effect of this section, and are to be regulated only by the
3 government of that city.

4 5. The liquor board may deny or refuse to renew the license of
5 a person who has willfully violated the provisions of NRS 369.630
6 more than three times in any 24-month period.

7 6. The liquor board shall not deny a license to a person solely
8 because the person is not a citizen of the United States.

9 7. *The liquor board shall not issue a license to a person who*
10 *is required to obtain a license from the Department of Taxation*
11 *pursuant to chapter 369 of NRS unless the Department has issued*
12 *such a license and the license is in good standing.*

13 8. The Legislative Counsel Bureau is exempt from the
14 provisions of this section with respect to the purchase and sale of
15 souvenir wine pursuant to NRS 218F.430.

16 **Sec. 10.** NRS 268.090 is hereby amended to read as follows:

17 268.090 1. In addition to any authority or power now
18 provided by the charter of any incorporated city in this State,
19 whether incorporated by general or special act, or otherwise, except
20 as otherwise provided in this section, there is hereby granted to each
21 of the cities incorporated under any law of this State the power and
22 authority to fix, impose and collect a license tax on, and regulate the
23 sale of, beer, wines or other beverages now or hereafter authorized
24 to be sold by act of Congress.

25 2. An incorporated city may deny or refuse to renew the license
26 of a person who has willfully violated the provisions of NRS
27 369.630 more than three times in any 24-month period.

28 3. An incorporated city shall not deny a license to a person
29 solely because the person is not a citizen of the United States.

30 4. *An incorporated city shall not issue a license to a person*
31 *who is required to obtain a license from the Department of*
32 *Taxation pursuant to chapter 369 of NRS unless the Department*
33 *has issued such a license and the license is in good standing.*

34 5. The Legislative Counsel Bureau is exempt from the
35 provisions of this section with respect to the purchase and sale of
36 souvenir wine pursuant to NRS 218F.430.



