## SENATE BILL NO. 55—COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT

#### (ON BEHALF OF THE LIEUTENANT GOVERNOR)

PREFILED NOVEMBER 20, 2024

# Referred to Committee on Revenue and Economic Development

SUMMARY—Establishes provisions relating to agricultural tourism. (BDR 18-508)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Contains Appropriation not included in Executive Budget.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to tourism; requiring the Commission on Tourism to develop and administer a grant program relating to agritourism; defining certain terms relating to agritourism; requiring the Director of the State Department of Agriculture to adopt regulations establishing the types of businesses that qualify as agritourism; requiring the Department to carry out certain marketing and outreach duties relating to agritourism; authorizing the Director to issue special use permits relating to agritourism under certain circumstances; establishing certain provisions relating to the liability of operators of businesses engaged in agritourism; making appropriations; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:** 

Existing law creates the Commission on Tourism in the Department of Tourism and Cultural Affairs, which is charged with carrying out certain duties relating to the promotion of tourism and travel in this State and oversees a grant program for the development of projects relating to tourism. (NRS 231.8117, 231.8121, 231.8127, 231.8171-231.8179) **Section 1** of this bill requires the Commission to develop and administer a grant program for businesses that are engaged in or wish to engage in agritourism in this State. **Section 19** of this bill makes an appropriation to the Commission for this grant program to award grants.





Sections 1 and 6 of this bill define "agritourism" as the combination of agriculture, horticulture or viticulture with tourism to attract members of the general public to visit a business for enjoyment, education, recreation or participation in agritourism activities. Sections 1 and 7 of this bill define "agritourism activity" as an activity offered by a business engaged in agritourism that invites members of the general public to view or participate in activities relating to agriculture, horticulture or viticulture.

**Section 2** of this bill applies the definitions in existing law to **section 1**.

Existing law creates the Fund for Tourism and Cultural Affairs to support the operations of the Department of Tourism and Cultural Affairs in carrying out certain duties under existing law. (NRS 231.8141) **Section 3** of this bill provides that the money in the Fund may also be used to support the Department of Tourism and Cultural Affairs in carrying out any duties under **section 1**.

Existing law creates the State Department of Agriculture and charges the Department with administering various duties relating to agriculture, livestock and food and other commodities. (NRS 561.035, Titles 49, 50 and 51 of NRS) **Section 13** of this bill requires the Director of the State Department of Agriculture to adopt regulations establishing the types of businesses that qualify as agritourism. **Sections 8-12** of this bill define certain other terms relating to agritourism.

Section 14 of this bill requires the State Department of Agriculture to: (1) develop opportunities for businesses engaged in or that wish to engage in agritourism; (2) develop marketing campaigns for agritourism and agritourism activities in this State; and (3) provide support and outreach to businesses engaged in or that wish to engage in agritourism. Section 14 also requires the Director to employ a qualified professional to assist the State Department of Agriculture in carrying out these duties. Section 20 of this bill makes appropriations to the State Department of Agriculture: (1) to carry out duties relating to the marketing and development of agritourism in this State; (2) for membership in an organization relating to agritourism and attendance at the convention of the organization; and (3) for the salary of the qualified professional assisting the State Department of Agriculture.

Section 15 of this bill authorizes the Director to issue a special use permit to an operator of a business engaged in or that wishes to engage in agritourism if the operator is denied a permit required to operate or offer agritourism activities on the basis of a local ordinance, resolution or regulation adopted by a local governing body. Section 15 also requires that any fees collected for a special use permit be accounted for separately by the State Department of Agriculture and paid on an annual basis to the county in which the special use permit was issued.

**Section 17** of this bill requires an operator of a business engaged in agritourism to post certain warning signs at the entrance of the business and at the site of any agritourism activities and include in every contract offered or entered into by the operator certain language that warns the reader that the operator is not liable for any injury, loss, damage or death to a person or the personal property of a person that results from the inherent risks of an agritourism activity.

Section 18 of this bill provides that an operator of a business engaged in agritourism is not liable for any injury, loss, damage or death to a person or the personal property of a person that results from the inherent risks of an agritourism activity if the operator has posted the warning signs and included the warning language in any contracts, as required by section 17. Section 16 of this bill sets forth the inherent risks of an agritourism activity for the purposes of sections 17 and 18.



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

**Section 1.** Chapter 231 of NRS is hereby amended by adding thereto a new section to read as follows:

- 1. The Commission on Tourism shall, subject to the availability of funds appropriated for such purpose, develop and administer a grant program to award grants to businesses engaged in or that wish to engage in agritourism in this State.
- 2. The Commission shall adopt regulations to carry out the provisions of this section. The regulations must prescribe, without limitation:
- (a) The criteria for eligibility to receive a grant from the grant program; and
- (b) Procedures for the submission and review of applications to receive money from the grant program.
- 3. In adopting the regulations required pursuant to subsection 2, the Commission shall consult with the Department of Agriculture to establish the types of businesses which qualify as agritourism.
  - 4. As used in this section:

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- (a) "Agritourism" means the combination of agriculture, horticulture or viticulture with tourism by a business, such as a farm or ranch, to attract members of the general public to visit the business for enjoyment, education, recreation or participation in agritourism activities. The term does not include any business which grows, farms, acquires, cultivates, processes, produces, delivers, transports, supplies or sells cannabis, cannabis products, hemp or a commodity or product made using hemp.
- (b) "Agritourism activity" means any activity offered by a business engaged in agritourism, regardless of whether there is a charge for the activity, that invites members of the general public to view or participate in activities relating to agriculture, horticulture or viticulture, including, without limitation, farming, ranching, harvest-your-own operations, activities relating to natural resources, camping, brewing, wine-making, distilling and preparing food items.
- (c) "Cannabis" has the meaning ascribed to it in NRS 678A.085.
- (d) "Cannabis product" has the meaning ascribed to it in NRS 678A.120.
  - (e) "Hemp" has the meaning ascribed to it in NRS 557.160.
  - Sec. 2. NRS 231.8111 is hereby amended to read as follows:
- 231.8111 As used in NRS 231.8111 to 231.8179, inclusive, and section 1 of this act, unless the context otherwise requires, the





words and terms defined in NRS 231.8113 and 231.8115 have the meanings ascribed to them in those sections.

- **Sec. 3.** NRS 231.8141 is hereby amended to read as follows:
- 231.8141 1. The Fund for Tourism and Cultural Affairs is hereby created in the State Treasury, to be administered by the Director.
- 2. Money in the Fund must be used to support the operations of the Department in administering the provisions of NRS 231.8111 to 231.8179, inclusive [...], *and section 1 of this act.* The money in the Fund must remain in the Fund and does not revert to the State General Fund at the end of any fiscal year.
- 3. Claims against the Fund must be paid as other claims against the State are paid.
- 4. Interest and income earned on money in the Fund must be credited to the Fund.
- **Sec. 4.** Title 49 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 5 to 18, inclusive, of this act.
- Sec. 5. As used in sections 5 to 18, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 6 to 12, inclusive, of this act, have the meanings ascribed to them in those sections.
- Sec. 6. "Agritourism" means the combination of agriculture, horticulture or viticulture with tourism by a business, such as a farm or ranch, to attract members of the general public to visit the business for enjoyment, education, recreation or participation in agritourism activities. The term does not include any business which grows, farms, acquires, cultivates, processes, produces, delivers, transports, supplies or sells cannabis, cannabis products, hemp or a commodity or product made using hemp.
- Sec. 7. "Agritourism activity" means any activity offered by a business engaged in agritourism, regardless of whether there is a charge for the activity, that invites members of the general public to view or participate in activities relating to agriculture, horticulture or viticulture, including, without limitation, farming, ranching, harvest-your-own operations, activities relating to natural resources, camping, brewing, wine-making, distilling and preparing food items.
- Sec. 8. "Cannabis" has the meaning ascribed to it in NRS 678A.085.
- Sec. 9. "Cannabis product" has the meaning ascribed to it in NRS 678A.120.
- Sec. 10. "Department" means the State Department of Agriculture.
  - Sec. 11. "Director" means the Director of the Department.





Sec. 12. "Hemp" has the meaning ascribed to it in NRS 557.160.

Sec. 13. 1. The Director shall adopt regulations establishing the types of businesses that qualify as agritourism for the purposes of sections 5 to 18, inclusive, of this act which must include, without limitation, farms, ranches and other outdoor businesses that offer agritourism activities, such as wineries, breweries, event venues, cottage food operations and businesses that offer overnight camping on the premises.

2. As used in this section, "cottage food operation" has the

meaning ascribed to it in NRS 446.866.

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Sec. 14. 1. The Department shall:

(a) Develop opportunities for businesses engaged in or that wish to engage in agritourism in this State;

(b) Develop marketing campaigns to promote agritourism and agritourism activities in this State;

(c) Provide outreach and support to businesses engaged in or that wish to engage in agritourism in this State; and

(d) Coordinate with the Department of Tourism and Cultural

Affairs in carrying out the duties set forth in this subsection.

- 2. To assist in carrying out the duties set forth in subsection 1, the Director shall employ a full-time qualified professional and determine the qualifications, duties and compensation of the professional. Such employee is in the classified service of the State.
- Sec. 15. 1. If an operator of a business engaged in or that wishes to engage in agritourism is denied a permit which is required by an ordinance, resolution or regulation of a local governing body to operate or offer agritourism activities, the operator may appeal that decision to the Director. The Director may issue a special use permit to the operator which supersedes the ordinance, resolution or regulation of the local governing body and enables the operator to engage in agritourism or offer an agritourism activity.
- 2. All money collected from any fee charged for a special use permit issued pursuant to this section must be accounted for separately and paid on an annual basis to the county in which the special use permit is issued.
- 3. The Director shall adopt regulations to carry out the provisions of this section. Such regulations must include, without limitation, a process whereby a governing body of a county may review the special use permit and approve or deny the issuance of the special use permit.
  - 4. As used in this section, "local governing body" means:
  - (a) The governing body of a county, city or town; and





- (b) Any district, board, council or commission that is charged with the execution of limited functions or duties within a county, including, without limitation, any district, board, council or commission organized pursuant to chapters 244, 318, 474 and 539 of NRS, NRS 269.024 to 269.0248, inclusive, and 450.550 to 450.750, inclusive.
- Sec. 16. For the purposes of sections 17 and 18 of this act, the inherent risks of an agritourism activity include, without limitation:
- 1. Any dangers or conditions that are an integral part of the agritourism activity, including, without limitation, surface and subsurface conditions, the natural condition of the land, vegetation or water, the behavior of wild or domestic animals and the ordinary dangers of structures or equipment used in farming and ranching operations; and
- 2. The potential for a participant to act in a negligent manner that may contribute to injury, loss, damage or death to a participant or the personal property of the participant or other participants, including, without limitation, failing to follow instructions given by an operator of a business engaged in agritourism or failing to exercise reasonable caution while participating in an agritourism activity.
- Sec. 17. 1. An operator of a business engaged in agritourism shall prominently post and maintain warning signs in a clearly visible location at the entrance of the business and at the site of any agritourism activity offered by the business to members of the general public. The warning signs must, without limitation:
- (a) Be written in black letters, with each letter not less than 1 inch in height; and
  - (b) Include the language set forth in subsection 3.
- 2. Every contract entered into by an operator of a business engaged in agritourism on or off the site and every contract offered by an operator at the location of any agritourism activity must contain in clearly readable print the language set forth subsection 3.
- 3. Every warning sign posted pursuant to subsection 1 and contract subject to the provisions of subsection 2 must include the following language:

#### WARNING

Under Nevada law, an operator of a business engaged in agritourism is not liable for an injury, loss, damage or death to a participant or the personal property of a participant of an agritourism activity at this location if the injury or death results from an inherent risk of the agritourism activity.





Inherent risks of agritourism activities include, without limitation, risks of injury inherent to land, equipment and animals, as well as the potential for you or another participant to act in a negligent manner that may contribute to your injury or death. You are assuming the risk of participating in this agritourism activity.

Sec. 18. 1. Except as otherwise provided in subsection 3, an operator of a business engaged in agritourism is not liable for an injury, loss, damage or death to a participant or the personal property of a participant resulting from any inherent risk of an activity offered by the business if the warnings required pursuant to section 17 of this act are posted and included in any contracts in accordance with the requirements of that section.

2. An operator of a business engaged in agritourism may claim as an affirmative defense that an injury, loss, damage or death to a participant or the personal property of a participant resulted exclusively from an inherent risk of an agritourism activity offered by the business and the warning was posted in accordance with the requirements of section 17 of this act.

3. Nothing in this section shall be construed:

(a) To prevent or limit the liability of an operator of a business engaged in agritourism:

(1) If the operator:

(I) Commits or omits an act if the act or omission constitutes willful or wanton disregard for the safety of the participant and that act or omission proximately causes an injury, loss, damage or death to a participant or the personal property of a participant; or

(II) Has actual knowledge or reasonably should have known of a dangerous condition on the land, facilities or equipment used in the agritourism activity or the dangerous propensity of a particular animal used in such agritourism activity and does not make the danger known to the participant, and the danger proximately causes an injury, loss, damage or death to a participant or the personal property of a participant.

(2) In an action for product liability; or

(b) To prohibit an operator of a business engaged in agritourism from asserting the assumption of risk as an affirmative defense.

**Sec. 19.** 1. There is hereby appropriated from the State General Fund to the Commission on Tourism the sum of \$50,000 for the grant program created pursuant to section 1 of this act to award grants to businesses engaged in or that wish to engage in agritourism.





- 2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2027, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 17, 2027, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 17, 2027.
- **Sec. 20.** 1. There is hereby appropriated from the State General Fund to the State Department of Agriculture:
  - (a) The sum of \$47,500 for:

- (1) Developing opportunities, marketing campaigns and providing outreach and support relating to agritourism pursuant to section 14 of this act; and
- (2) Membership in NAFDMA International Agritourism Association and to attend the convention held by NAFDMA International Agritourism Association.
- (b) The sum of \$173,760 for the salary and costs related to employment of the qualified professional employed by the Director of the Department pursuant to section 14 of this act.
- 2. Any remaining balance of the appropriations made by subsection 1 must not be committed for expenditure after June 30, 2027, by the entity to which the appropriations are made or any entity to which money from the appropriations are granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 17, 2027, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 17, 2027.
- **Sec. 21.** 1. This section becomes effective upon passage and approval.
- 2. Sections 1 to 14, inclusive, 19 and 20 of this act become effective on July 1, 2025.
  - 3. Sections 15 to 18, inclusive, of this act become effective:
- (a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

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(b) On July 1, 2026, for all other purposes.



