
ASSEMBLY BILL NO. 553—COMMITTEE ON COMMERCE AND LABOR

MARCH 29, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Requires licensing of suppliers and rectifiers of intoxicating liquor and wine. (BDR 32-1314)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
Effect on the State: No.

~

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

AN ACT relating to intoxicating liquors; requiring a license to engage in business as a rectifier of distilled spirits in this State; requiring a license to engage in business as a supplier of wines and liquors in this State; revising provisions governing the business of rectifying distilled spirits; providing penalties; and providing other matters properly relating thereto.

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

Section 1. Chapter 369 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *As used in this chapter, “distilled spirits” means any alcoholic beverage obtained by the distillation of fermented agricultural products. The term includes alcohol for use in beverages, spirits of wine, whiskey, rum, brandy and gin, and any dilutions and mixtures thereof.*

Sec. 3. *As used in this chapter, “rectifier” means an establishment that bottles, packages, colors, flavors or otherwise processes distilled spirits by distillation, blending, percolating or any other process.*



1 **Sec. 4.** NRS 369.180 is hereby amended to read as follows:
2 369.180 In addition to the limitations imposed by NRS
3 597.210 and 597.220, a person shall not:

4 1. Import liquors into this State unless he first secures an
5 importer's license or permit from this State.

6 2. Engage in business as a wholesale dealer of wines and
7 liquors in this State unless he first secures a wholesale wine and
8 liquor dealer's license from this State.

9 3. Engage in business as a wholesale dealer of beer in this State
10 unless he first secures a wholesale beer dealer's license from this
11 State.

12 4. *Engage in business as a supplier of liquor and wines in*
13 *this State unless he first secures a supplier's license from this*
14 *State.*

15 5. *Engage in business as a rectifier of distilled spirits in this*
16 *State unless he first secures a rectifier's license from this State.*

17 6. Operate a winery in this State or export wine from this State
18 unless he first secures a wine-maker's license from this State.

19 ~~7.~~ 7. Operate a brewery in this State unless he first secures a
20 brewer's license from this State.

21 ~~8.~~ 8. Operate a brew pub in this State unless he first secures a
22 brew pub's license from this State.

23 ~~9.~~ 9. As used in this section:

24 (a) "Brew pub" has the meaning ascribed to it in NRS 597.200.

25 (b) "Brewery" means an establishment which manufactures malt
26 beverages but does not sell those malt beverages at retail.

27 (c) "Malt beverage" has the meaning ascribed to it in
28 NRS 597.200.

29 **Sec. 5.** NRS 369.300 is hereby amended to read as follows:

30 369.300 The following is a schedule of fees to be charged for
31 licenses:

32	
33	<i>Supplier's license..... \$750</i>
34	Importer's wine, beer and liquor license..... 150 500
35	Importer's beer license 150
36	Wholesale wine, beer and liquor license..... 250
37	Wholesale beer dealer's license 75
38	Wine-maker's license..... 75
39	Brew pub's license 75
40	Brewer's license 75
41	<i>Rectifier's license 75</i>

42 **Sec. 6.** NRS 369.320 is hereby amended to read as follows:

43 369.320 ~~Nothing in this chapter shall be deemed to~~ *The*
44 *provisions of this chapter do not* prohibit any county, city or town
45 in Nevada from requiring ~~an~~ *a supplier, rectifier,* importer or



seller of liquor to obtain a local license before engaging in such business.

Sec. 7. NRS 369.415 is hereby amended to read as follows:

369.415 1. ~~Any person who imports liquor into the State for the purpose of rectification is an importer and shall be licensed pursuant to NRS 369.180.~~ *The Legislature hereby declares that:*

(a) It is a privilege to engage in the business of rectifying distilled spirits in this State;

(b) It is necessary to impose certain restrictions on the exercise of that privilege; and

(c) It is the policy of this State to require a separation between the business of rectifying distilled spirits in this State and the sale of liquor by wholesale dealers.

2. A licensed importer of liquor shall import neutral or distilled spirits in bulk only for the express purpose of rectification. Rectified alcoholic beverages ~~shall~~ **must** be sold in this State only after bottling in original packages.

3. Bulk imports of neutral or distilled spirits ~~shall be~~ **are** taxable only when rectified and bottled in original packages for sale within the State.

4. Refunds, credits and discounts ~~shall~~ **must** be allowed pursuant to NRS 369.370.

5. The Department shall not issue:

(a) A wholesale wine, beer and liquor license to a person who holds a rectifier's license issued pursuant to this chapter.

(b) A rectifier's license to any person who:

(1) Has a financial interest in any entity that holds a wholesale wine, beer and liquor license;

(2) Is a trustee, director or officer of an entity that holds a wholesale wine, beer and liquor license; or

(3) Holds a loan, mortgage or lien on any property owned by an entity that holds a wholesale wine, beer and liquor license or by a trustee, officer or director of such an entity.

Sec. 8. NRS 369.490 is hereby amended to read as follows:

369.490 1. Except as otherwise provided in subsection 2, a person shall not directly or indirectly, himself or by his 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.

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 1 gallon or less of alcoholic beverage per month from another state for his own household or personal use; or

(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 own household or personal use.

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

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

Sec. 9. NRS 597.210 is hereby amended to read as follows:

597.210 1. Except as otherwise provided in NRS 597.240, a person engaged in the business of manufacturing, **rectifying**, blending or bottling alcoholic beverages **within or without this State** shall not engage in the business of importing, wholesaling or retailing alcoholic beverages by investment, loan or extension of credit in excess of normal terms prevalent in the industry, unless he was so engaged on or before May 1, 1975, and then only to the extent so engaged.

2. This section does not:

(a) Preclude any person engaged in the business of importing, wholesaling or retailing alcoholic beverages from owning less than 2 percent of the outstanding ownership equity in any organization which manufactures, blends or bottles alcoholic beverages.

(b) Prohibit a person from operating a brew pub pursuant to NRS 597.230.

(c) Prohibit a person engaged in the business of rectifying or bottling alcoholic beverages from importing neutral or distilled spirits in bulk only for the express purpose of rectification pursuant to NRS 369.415.

Sec. 10. This act becomes effective on July 1, 2005.

