

ASSEMBLY BILL NO. 553—COMMITTEE ON COMMERCE AND LABOR

MARCH 29, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to intoxicating liquors. (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.

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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 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; prohibiting the sale, purchase, possession or use of an alcohol vaporizing device; prohibiting the use of the brand name of any alcoholic beverage in an advertisement or other promotion of an alcohol vaporizing device; 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.

Sec. 4. NRS 369.180 is hereby amended to read as follows:

369.180 In addition to the limitations imposed by NRS 597.210 and 597.220, a person shall not:

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

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

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

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

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

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

~~5-1~~ 7. Operate a brewery in this State unless he first secures a brewer's license from this State.

~~6-1~~ 8. Operate a brew pub in this State unless he first secures a brew pub's license from this State.

~~7-1~~ 9. As used in this section:

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

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

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

(d) "Supplier" means an establishment other than a rectifier or winery which manufactures liquors or wines or an establishment which acts as an agent of a rectifier or winery for the purpose of sales to wholesale dealers or exporters of liquors or wines from the State.

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

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

<i>Supplier's license.....</i>	<i>\$500</i>
Importer's wine, beer and liquor license.....	15 500
Importer's beer license.....	150
Wholesale wine, beer and liquor license.....	250
Wholesale beer dealer's license	75
Wine-maker's license.....	75



1	Brew pub's license	\$75
2	Brewer's license	75
3	<i>Rectifier's license</i>	<i>75</i>

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

5 369.320 ~~{Nothing in this chapter shall be deemed to}~~ ***The***
6 ***provisions of this chapter do not*** prohibit any county, city or town
7 in Nevada from requiring ~~{an}~~ ***a supplier, rectifier,*** importer or
8 seller of liquor to obtain a local license before engaging in such
9 business.

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

11 369.415 1. ~~{Any person who imports liquor into the State for~~
12 ~~*the purpose of rectification is an importer and shall be licensed*~~
13 ~~*pursuant to NRS 369.180.}*~~ ***The Legislature hereby declares that:***

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

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

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

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

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

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

30 ***5. The Department shall not issue:***

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

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

34 ***(1) Holds a wholesale wine, beer and liquor license issued***
35 ***pursuant to this chapter;***

36 ***(2) Has a financial interest in any entity that holds a***
37 ***wholesale wine, beer and liquor license;***

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

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

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

44 369.490 1. Except as otherwise provided in subsection 2, a
45 person shall not directly or indirectly, himself or by his clerk, agent



1 or employee, offer, keep or possess for sale, furnish or sell, or solicit
2 the purchase or sale of any liquor in this State, or transport or import
3 or cause to be transported or imported any liquor in or into this State
4 for delivery, storage, use or sale therein, unless the person:

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

6 (b) Holds an appropriate, valid license, permit or certificate
7 issued by the Department.

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

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

13 (b) Who imports 1 gallon or less of alcoholic beverage per
14 month from another state for his own household or personal use; or

15 (c) Who:

16 (1) Is a resident of this State;

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

18 (3) Imports 12 cases or less of wine per year for his own
19 household or personal use.

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

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

26 **Sec. 9.** Chapter 202 of NRS is hereby amended by adding
27 thereto a new section to read as follows:

28 ***1. A person shall not:***

29 ***(a) Sell or offer for sale, purchase, possess or use an alcohol***
30 ***vaporizing device; or***

31 ***(b) Use the brand name of any alcoholic beverage in an***
32 ***advertisement or other promotion of an alcohol vaporizing device.***

33 ***2. A person who violates any provision of subsection 1 is***
34 ***guilty of a misdemeanor.***

35 ***3. As used in this section:***

36 ***(a) "Alcohol vaporizing device" means a machine or other***
37 ***device which mixes liquor with pure oxygen or any other gas to***
38 ***produce a vaporized product which is consumed by inhalation.***

39 ***(b) "Liquor" has the meaning ascribed to it in NRS 369.040.***

40 **Sec. 10.** NRS 202.015 is hereby amended to read as follows:

41 202.015 For the purposes of NRS 202.015 to 202.065,
42 inclusive, ***and section 9 of this act***, "alcoholic beverage" means:

43 1. Beer, ale, porter, stout and other similar fermented
44 beverages, including sake and similar products, of any name or
45 description containing one-half of 1 percent or more alcohol by



1 volume, brewed or produced from malt, wholly or in part, or from
2 any substitute therefor.

3 2. Any beverage obtained by the fermentation of the natural
4 content of fruits or other agricultural products containing sugar, of
5 not less than one-half of 1 percent of alcohol by volume.

6 3. Any distilled spirits commonly referred to as ethyl alcohol,
7 ethanol or spirits of wine in any form, including all dilutions and
8 mixtures thereof from whatever process produced.

9 **Sec. 11.** NRS 597.200 is hereby amended to read as follows:

10 597.200 1. "Alcoholic beverage" means any malt beverage or
11 spirituous, vinous or malt liquor which contains 1 percent or more
12 ethyl alcohol by volume.

13 2. "Brew pub" means an establishment which manufactures
14 malt beverages and sells those malt beverages at retail pursuant to
15 the provisions of NRS 597.230.

16 3. "Engage in" includes participation in a business , *directly or*
17 *indirectly*, as an owner or partner, or through a subsidiary, affiliate,
18 ownership equity or in any other manner.

19 4. "Malt beverage" means beer, ale, porter, stout and other
20 similar fermented beverages of any name or description, brewed or
21 produced from malt, wholly or in part.

22 **Sec. 12.** NRS 597.210 is hereby amended to read as follows:

23 597.210 1. Except as otherwise provided in NRS 597.240, a
24 person engaged in the business of manufacturing, *rectifying,*
25 blending or bottling alcoholic beverages *within or without this*
26 *State* shall not engage in the business of importing, wholesaling or
27 retailing alcoholic beverages by investment, loan or extension of
28 credit in excess of normal terms prevalent in the industry, unless he
29 was so engaged on or before May 1, 1975, and then only to the
30 extent so engaged.

31 2. This section does not:

32 (a) Preclude any person engaged in the business of importing,
33 wholesaling or retailing alcoholic beverages from owning less than
34 2 percent of the outstanding ownership equity in any organization
35 which manufactures, blends or bottles alcoholic beverages.

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

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

42 **Sec. 13.** This act becomes effective on July 1, 2005.



