ASSEMBLY BILL NO. 367–ASSEMBLYMEN SILBERKRAUS, FIORE; DICKMAN, GARDNER AND SEAMAN

MARCH 17, 2015

JOINT SPONSOR: SENATOR SETTELMEYER

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to craft distilleries. (BDR 52-1039)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

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

AN ACT relating to craft distilleries; authorizing a person who operates a craft distillery to sell spirits off the premises at one additional location and by other means under certain circumstances; deleting certain provisions which limit the amount of spirits which may be sold at retail; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a person who operates a craft distillery to sell spirits manufactured at the distillery on the premises of the distillery. Existing law also limits the amount of spirits a single person may purchase from a craft distillery in any one month. (NRS 597.235) This bill allows the operator of the craft distillery to sell spirits at one additional location and to make telephone, mail order or Internet sales for shipment pursuant to certain restrictions. This bill also deletes the limit on the amount of spirits a person may purchase from a craft distillery in a single month.

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

Section 1. NRS 597.235 is hereby amended to read as follows: 597.235 1. A person may operate a craft distillery if the person:





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- (a) Obtains a license for the facility pursuant to chapter 369 of NRS;
 - (b) Complies with the requirements of this chapter; and
 - (c) Complies with any other applicable governmental requirements.
 - 2. A person who operates a craft distillery pursuant to this section may:
 - (a) In addition to manufacturing spirits from agricultural raw materials through distillation, blend, age, store and bottle the spirits so manufactured. The person operating the craft distillery shall ensure that none of the spirits manufactured at the craft distillery are derived from neutral or distilled spirits manufactured by another manufacturer.
- (b) In any calendar year, sell and transport in Nevada not more than a combined total of 10,000 cases of spirits at all the craft distilleries the person operates to a person who holds a license to engage in business as a wholesale dealer of liquor pursuant to chapter 369 of NRS.
- (c) In any calendar year, manufacture for exportation to another state, not more than a combined total of 20,000 cases of spirits at all the craft distilleries the person operates.
- (d) On the premises of the craft distillery, serve samples of the spirits manufactured at the craft distillery. Any such samples must not exceed, per person, per day, 2 fluid ounces in volume.
- (e) On the premises of the craft distillery [,] and off the premises at one additional location, sell the spirits manufactured at the craft distillery at retail for consumption on or off the premises. [Any such spirits sold at retail for off premises consumption must not exceed, per person, per month, 2 bottles of spirits.] Spirits purchased on the premises of a craft distillery or off the premises at an additional location pursuant to this paragraph must not be resold by the purchaser or any retail liquor store.
- (f) Sell and deliver the spirits manufactured at the craft distillery to purchasers not present on the premises of the craft distillery or off the premises at an additional location if the sale or delivery is ordered by means, including, without limitation, telephone, mail, facsimile, catalog, or the Internet. Any such sale made to an in-state purchaser must be made pursuant to the following conditions:
- (I) The purchaser must provide verification that he or she is 21 years of age or older and a copy of the same must be maintained in the records of the craft distillery;
- (2) The container in which the spirits are shipped must be marked to require the signature on delivery of a person who is 21 years of age or older and delivery confirmation;





- (3) The spirits must be for personal use only and not for resale;
- (4) The spirits must be shipped to a residential or business address other than a premises that is licensed or permitted to serve, sell, manufacture or distribute alcohol in this State or in any local jurisdiction within this State;
- (5) The purchaser must not be otherwise legally restricted from possessing the spirits within this State;
- (6) A person who is at least 21 years of age must make the delivery;
- (7) The purchaser must pay for the spirits not later than at the time of delivery; and
- (8) Sales of this type count towards the overall limits on distribution established in this subsection.
 - 3. As used in this section [:

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- (a) "Bottle], "case of spirits" means [a bottle] 12 bottles of spirits, each containing 750 milliliters of distilled spirits.
 - [(b) "Case of spirits" means 12 bottles of spirits.]
 - Sec. 2. This act becomes effective on July 1, 2015.





