

SENATE BILL NO. 246—SENATORS  
SETTELMAYER AND GUSTAVSON

MARCH 11, 2015

JOINT SPONSORS: ASSEMBLYWOMEN SEAMAN AND TITUS

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions governing craft distilleries.  
(BDR 52-631)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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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 craft distilleries; increasing the quantity of spirits a craft distillery may export to another state; allowing a craft distillery to sell or serve samples of its spirits at a location other than the craft distillery; increasing the quantity of spirits that a craft distillery may sell at retail for consumption off the premises; allowing a craft distillery to donate and transport spirits for charitable purposes under certain circumstances; allowing a craft distillery to transfer in bulk certain spirits to a supplier; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law allows a person, subject to certain conditions, to operate a craft distillery and to sell and transport not more than 10,000 cases of spirits to a wholesale dealer of liquor within this State and to manufacture for exportation to another state not more than 20,000 cases of spirits. A craft distillery may also serve samples of and sell the spirits manufactured at the craft distillery on the premises of the craft distillery. (NRS 597.235) This bill increases the quantity of spirits which a craft manufacturer may export to another state to 60,000 cases of spirits. This bill also allows a craft distillery to serve samples of or sell the spirits manufactured at the craft distillery at one other location in addition to the premises of the craft distillery itself, and increases the quantity of spirits that may be sold at retail for off-premises consumption from 2 bottles per month to 1 case of spirits per day. Finally, this bill authorizes a craft distillery to donate and transport spirits manufactured at the craft distillery for charitable or nonprofit purposes or to



transfer certain bulk spirits to another supplier. Such a charitable donation or bulk transfer is not included in the 10,000 cases per year that a craft distillery is permitted to sell and transport within this State.

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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:

(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) ~~Not~~ *Except as otherwise provided in paragraphs (f) and (g),* 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~~ *export* to another state, not more than a combined total of ~~20,000~~ *60,000* cases of spirits at all the craft distilleries the person operates.

(d) On the premises of the craft distillery ~~it~~ *and at one other location*, 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 ~~it~~ *and at one other 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~~ *day, 1 case* of spirits. Spirits purchased on the premises of a craft distillery *or its one other location* must not be resold by the purchaser or any retail liquor store.

(f) *Donate for charitable or nonprofit purposes and transport neutral or distilled spirits manufactured at the craft distillery in*



1 *accordance with the terms and conditions of a special permit*  
2 *for the transportation of the neutral or distilled spirits obtained*  
3 *from the Department of Taxation pursuant to subsection 4 of*  
4 *NRS 369.450.*

5 *(g) Transfer in bulk neutral or distilled spirits manufactured at*  
6 *the craft distillery to a supplier. Any such transfer:*

7 *(1) Is taxable only when the neutral or distilled spirits are*  
8 *rectified and bottled in original packages for sale within this State;*  
9 *and*

10 *(2) Is not a sale for the purposes of paragraph (b).*

11 3. As used in this section:

12 (a) ~~["Bottle"]~~ *"Case* of spirits" means ~~{a bottle}~~ *12 bottles, each*  
13 *containing 750 milliliters of distilled spirits.*

14 (b) ~~["Case of spirits" means 12 bottles of spirits.]~~ *"Supplier"*  
15 *has the meaning ascribed to it in NRS 597.140.*

16 **Sec. 2.** This act becomes effective upon passage and approval.

