

SENATE BILL NO. 394—SENATOR SETTELMAYER

MARCH 26, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing the sale of alcoholic beverages. (BDR 52-157)

FISCAL NOTE: Effect on Local Government: No.
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 alcoholic beverages; authorizing brew pubs, craft distilleries, estate distilleries and wineries to make limited retail sales of alcoholic beverages for shipment to another location; establishing requirements for shipments of alcohol to retail customers in this State; increasing the quantity of alcohol that may be imported without a license for household or personal use from certain states; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the operation of brew pubs, craft distilleries, estate distilleries and wineries in this State, which are authorized to manufacture and sell certain types of alcoholic beverages. (NRS 597.230-597.240) **Sections 2-5** of this bill authorize a brew pub, craft distillery, estate distillery or winery to make retail sales of certain alcoholic beverages for shipment to a location off the premises of the brew pub, craft distillery, estate distillery or winery, including sales made remotely through an Internet website or by telephone, mail or fax. **Section 2** of this bill limits the amount of malt beverages a brew pub is authorized to sell at retail for shipment to a location off of the premises of a brew pub to not more than 54 liters per person per year. **Section 5** of this bill limits the amount of wine a winery is authorized to sell at retail for shipment to a location off the premises of the winery to not more than 12 cases per person, per year. **Section 1** of this bill defines certain terms related to the sale of alcoholic beverages.

Section 9 of this bill establishes provisions governing the shipment of certain alcoholic beverages by a brew pub, craft distillery, estate distillery or winery to a retail customer in this State, including a requirement for such shipments to be made by a common carrier or a regularly operating contract carrier and for the brew pub, craft distillery, estate distillery or winery to retain certain records. **Section 11** of this bill provides that a violation of the provisions of **section 9** is a misdemeanor.



* S B 3 9 4 *

Existing law requires a licensed importer, brewer or wine maker to file a bond conditioned upon the payment of all excise taxes on alcoholic beverages due or to become due from him or her. (NRS 369.350) **Section 10** of this bill adds distillers to the list of persons who are required to file such a bond.

Existing law prohibits a supplier from engaging in the business of importing, wholesaling or retailing alcoholic beverages in this State. (NRS 369.382) Existing law also prohibits a person from transporting or importing liquor into this State without holding the appropriate license to do so, except that a person may import certain limited amounts of wine or alcoholic beverage for household or personal use. (NRS 369.490) A supplier who ships alcohol directly to a retail customer in this State pursuant to this exception is required to pay the excise tax on liquor. (NRS 369.462) **Section 14** of this bill increases the amount of alcohol that a resident of this State is authorized to import from an out-of-state supplier for household or personal use to match the limits on shipments of alcohol to retail customers imposed on brew pubs, craft distilleries, estate distilleries and wineries in this State pursuant to **sections 2-5**. **Section 12** of this bill requires an out-of-state supplier who ships liquor to a resident of this State pursuant to these increased limits to pay the excise tax on liquor. **Section 13** of this bill requires the out-of-state supplier to maintain certain records.

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

Section 1. NRS 597.200 is hereby amended to read as follows:
597.200 As used in NRS 597.190 to 597.255, inclusive, unless the context otherwise requires:

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

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

3. "Case of spirits" means 12 bottles, each containing 750 milliliters of distilled spirits.

4. *"Case of wine" has the meaning ascribed to it in NRS 369.015.*

5. "Craft distillery" means an establishment which:

(a) Manufactures distilled spirits from agricultural raw materials through distillation; and

(b) Is authorized to sell those distilled spirits pursuant to the provisions of this chapter.

~~{5}~~ 6. "Distillation" means the process of producing or purifying spirituous liquor by successive evaporation and condensation.

~~{6}~~ 7. "Engage in" includes participation in a business as an owner or partner, or through a subsidiary, affiliate, ownership equity or in any other manner.

~~{7}~~ 8. "Estate distillery" means an establishment which:



(a) Manufactures distilled spirits from agricultural raw materials through distillation, provided that 85 percent of such agricultural raw materials, in the aggregate, were grown on land within this State which is owned or controlled by the owner of the distillery; and

(b) Is authorized to sell those distilled spirits pursuant to the provisions of this chapter.

~~8-1~~ **9.** “Instructional wine-making facility” means an instructional wine-making facility operated pursuant to NRS 597.245.

~~9-1~~ **10.** “Legal age” means the age at which a person is legally permitted to purchase an alcoholic beverage pursuant to NRS 202.020.

~~10-1~~ **11.** “Malt beverage” means beer, ale, porter, stout and other similar fermented beverages of any name or description, brewed or produced from malt, wholly or in part.

~~11-1~~ **12.** *“Remote sale” means a sale to a person not located on the premises of a brew pub, craft distillery, estate distillery or winery, as applicable, including, without limitation, a sale made through an Internet website or by telephone, mail or fax.*

13. “Special event” means an event that:

(a) Lasts not longer than 1 calendar day; and

(b) Occurs at:

(1) A farmers’ market, as defined in NRS 244.336; or

(2) An event designated as a county fair by a county fair and recreation board appointed pursuant to NRS 244A.599, 244A.601 or 244A.603.

~~12-1~~ **14.** “Supplier” has the meaning ascribed to it in NRS 597.140.

~~13-1~~ **15.** “Wine” has the meaning ascribed to it in NRS 369.140.

Sec. 2. NRS 597.230 is hereby amended to read as follows:

597.230 1. In any county, a person may operate a brew pub:

(a) In any redevelopment area established in that county pursuant to chapter 279 of NRS;

(b) In any historic district established in that county pursuant to NRS 384.005;

(c) In any retail liquor store as that term is defined in NRS 369.090; or

(d) In any other area in the county designated by the board of county commissioners for the operation of brew pubs. In a city which is located in that county, a person may operate a brew pub in any area in the city designated by the governing body of that city for the operation of brew pubs.



1 ↪ A person who operates one or more brew pubs may not
2 manufacture more than 40,000 barrels of malt beverages for all the
3 brew pubs he or she operates in this State in any calendar year.

4 2. The premises of any brew pub operated pursuant to this
5 section must be conspicuously identified as a "brew pub."

6 3. Except as otherwise provided in subsection 4, a person who
7 operates one or more brew pubs pursuant to this section may, upon
8 obtaining a license pursuant to chapter 369 of NRS and complying
9 with any other applicable governmental requirements:

10 (a) Manufacture and store malt beverages on the premises of one
11 or more of the brew pubs and:

12 (1) Sell and transport the malt beverages manufactured on
13 the premises to a person holding a valid wholesale wine and liquor
14 dealer's license or wholesale beer dealer's license issued pursuant to
15 chapter 369 of NRS.

16 (2) Donate for charitable or nonprofit purposes and, for the
17 purposes of the donation, transport the malt beverages manufactured
18 on the premises in accordance with the terms and conditions of a
19 special permit for the transportation of the malt beverages obtained
20 from the Department of Taxation pursuant to subsection 4 of
21 NRS 369.450.

22 (3) Transfer in bulk the malt beverages manufactured on the
23 premises:

24 (I) To a person holding a valid wholesale wine and liquor
25 dealer's license or wholesale beer dealer's license issued pursuant to
26 chapter 369 of NRS for the purpose of transferring in bulk the malt
27 beverages to an estate distillery for the purpose of distillation and
28 blending, which transfer is taxable only as provided in NRS
29 597.237; or

30 (II) If there is no wholesaler who is able or willing to
31 accept and transfer in bulk the malt beverages pursuant to sub-
32 subparagraph (I), to a person holding a valid license to operate an
33 estate distillery issued pursuant to chapter 369 of NRS for the
34 purpose of distillation and blending, which transfer is taxable only
35 as provided in NRS 597.237 and must be performed in accordance
36 with the terms and conditions of a special permit for the
37 transportation of the malt beverages obtained from the Department
38 of Taxation pursuant to subsection 4 of NRS 369.450.

39 (b) Manufacture and store malt beverages on the premises of
40 one or more of the brew pubs and transport the malt beverages
41 manufactured on the premises to a retailer, other than a person who
42 operates a brew pub pursuant to this section, that holds a valid
43 license pursuant to chapter 369 of NRS for the purpose of selling the
44 malt beverages at a special event in accordance with the terms and
45 conditions of a special permit for the transportation of the malt



1 beverages obtained from the Department of Taxation pursuant to
2 subsection 4 of NRS 369.450. For the purposes of this paragraph,
3 the person who operates one or more brew pubs shall not obtain
4 more than 20 such special permits for the transportation of the malt
5 beverages from the Department of Taxation pursuant to subsection 4
6 of NRS 369.450 within a calendar year.

7 (c) Sell at retail, not for resale, malt beverages manufactured on
8 or off the premises of one or more of the brew pubs for consumption
9 on the premises.

10 (d) Sell at retail, not for resale, in packages sealed on the
11 premises of one or more of the brew pubs, malt beverages, including
12 malt beverages in unpasteurized form, manufactured on the
13 premises for consumption off the premises **[H]**, *including both in-*
14 *person and remote sales of malt beverages for shipment to a*
15 *location off the premises. The amount of malt beverages sold at*
16 *retail for shipment to a location off the premises of the brew pub*
17 *must not exceed 54 liters per person per year for all the brew pubs*
18 *operated by the person in this State.*

19 4. The amount of malt beverages sold pursuant to paragraphs
20 (b), (c) and (d) of subsection 3 must not exceed a total of 5,000
21 barrels in any calendar year. Of the 5,000 barrels, not more than
22 1,000 barrels may be sold in kegs.

23 **Sec. 3.** NRS 597.235 is hereby amended to read as follows:

24 597.235 1. A person may operate a craft distillery if the
25 person:

26 (a) Obtains a license for the facility pursuant to chapter 369 of
27 NRS;

28 (b) Complies with the requirements of this chapter; and

29 (c) Complies with any other applicable governmental
30 requirements.

31 2. A person who operates a craft distillery pursuant to this
32 section may:

33 (a) In addition to manufacturing spirits from agricultural raw
34 materials through distillation, blend, age, store and bottle the spirits
35 so manufactured. The person operating the craft distillery shall
36 ensure that none of the spirits manufactured at the craft distillery are
37 derived from neutral or distilled spirits manufactured by another
38 manufacturer.

39 (b) Except as otherwise provided in paragraphs (f) and (g), in
40 any calendar year, sell and transport in Nevada not more than a
41 combined total of 10,000 cases of spirits at all the craft distilleries
42 that the person operates to a person who holds a license to engage in
43 business as a wholesale dealer of liquor pursuant to chapter 369 of
44 NRS.



(c) In any calendar year, manufacture for exportation to another state, not more than a combined total of 40,000 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, 4 fluid ounces in volume.

(e) ~~On the premises of the craft distillery, sell~~ *Sell* the spirits manufactured at the craft distillery at retail :

(1) On the premises of the craft distillery for consumption on or off the premises ~~[-]~~ , *including, without limitation, for shipment to a location off the premises.*

(2) Via remote sale for shipment to a location off the premises.

Any such spirits sold at retail for off-premises consumption must not exceed, per person, per month, 1 case of spirits and not exceed, per person, per year, 6 cases of spirits. Spirits purchased ~~on the premises of a craft distillery~~ *at retail* 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 accordance with the terms and conditions of a special permit for the transportation of the neutral or distilled spirits obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

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

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

(2) Is not a sale for the purposes of paragraph (b) or manufacturing for exportation for the purposes of paragraph (c).

Sec. 4. NRS 597.237 is hereby amended to read as follows:

597.237 1. A person may operate an estate 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 an estate 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 estate distillery shall ensure that none of the spirits manufactured at the estate distillery



are derived from neutral or distilled spirits manufactured by another manufacturer, except as authorized by paragraph (b).

(b) Blend and distill wines or malt beverages, provided any such wine or malt beverage was manufactured by:

(1) A brew pub licensed pursuant to NRS 597.230;

(2) A winery that has been issued a wine-maker's license pursuant to NRS 369.200 on or before September 30, 2015; or

(3) A winery that has been issued a wine-maker's license pursuant to NRS 369.200 on or after October 1, 2015, if 25 percent or more of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown in this State.

(c) Except as otherwise provided in paragraphs (g) and (h), in any calendar year, sell and transport in Nevada not more than a combined total of 75,000 cases of spirits at the estate distillery to a person who holds a license to engage in business as a wholesale dealer of liquor pursuant to chapter 369 of NRS.

(d) In any calendar year, manufacture for exportation to another state, not more than a combined total of 400,000 cases of spirits at all the estate distilleries the person operates.

(e) On the premises of the estate distillery, serve samples of the spirits manufactured at the estate distillery. Any such samples must not exceed, per person, per day, 4 fluid ounces in volume.

(f) ~~[On the premises of the estate distillery, sell]~~ *Sell* the spirits manufactured at the estate distillery at retail :

(1) On the premises of the estate distillery for consumption on or off the premises [] , including, without limitation, for shipment to a location off the premises.

(2) Via remote sale for shipment to a location off the premises.

↪ Any such spirits sold at retail for off-premises consumption must not exceed, per person, per month, 1 case of spirits and not exceed, per person, per year, 6 cases of spirits. The total amount of such spirits sold at retail for off-premises consumption must not exceed 7,500 cases per year. Spirits purchased ~~[on the premises of an estate distillery]~~ *at retail* must not be resold by the purchaser or any retail liquor store. A person who operates an estate distillery shall prominently display on the premises a notice that the resale of spirits purchased on the premises is prohibited.

(g) Donate for charitable or nonprofit purposes and transport neutral or distilled spirits manufactured at the estate distillery in accordance with the terms and conditions of a special permit for the transportation of the neutral or distilled spirits obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

(h) Transfer in bulk neutral or distilled spirits manufactured at the estate distillery to a supplier. Any such transfer:



(1) Is taxable only when the neutral or distilled spirits are rectified and bottled in original packages for sale within this State and removed from the federally bonded premises of the supplier; and

(2) Is not a sale for the purposes of paragraph (c) or manufacturing for exportation for the purposes of paragraph (d).

(i) Subject to the provisions of subsection 3, receive wine or malt beverages in bulk from a person described in subparagraph (1), (2) or (3) of paragraph (b), or from a wholesale dealer of alcoholic beverages who is licensed under chapter 369 of NRS and who is transferring such wine or malt beverages pursuant to NRS 597.230 or 597.240, for the purpose of distillation and blending. Wine and malt beverages so received are taxable only when the wine and malt beverages are:

(1) Distilled, blended or both, and bottled in original packages for sale within this State; and

(2) Removed from the federally bonded premises of the estate distillery.

3. A person who operates an estate distillery shall not receive a shipment of wine or malt beverages:

(a) Unless the person first notifies the Department of Taxation that the distillery will receive such a shipment; and

(b) Except as authorized by paragraph (i) of subsection 2.

4. Spirits manufactured by an estate distillery pursuant to this section may be sold in this State only after bottling in original packages.

Sec. 5. NRS 597.240 is hereby amended to read as follows:

597.240 1. A winery that is federally bonded and permitted by the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the Treasury, including, without limitation, an alternating proprietorship of not more than four such wineries, and that has been issued a wine-maker's license pursuant to NRS 369.200 may:

(a) Produce, bottle, blend and age wine.

(b) Import wine or juice from a winery that is located in another state and that is federally bonded and permitted by the Alcohol and Tobacco Tax and Trade Bureau, to be fermented into wine or, if already fermented, to be mixed with other wine or aged in a suitable cellar, or both.

2. A winery that has been issued a wine-maker's license pursuant to NRS 369.200 on or before September 30, 2015, may:

(a) Sell at retail , *on its premises, at one other location and through a remote sale*, or serve by the glass, on its premises and at one other location, wine produced, blended or aged by the winery. The amount of wine sold *at retail* at a location other than on the



premises of the winery *or sold and shipped to a location off the premises of the winery* may not exceed 50 percent of the total volume of the wine sold by the winery. *The amount of wine sold at retail for shipment to a location off the premises of the winery must not exceed 12 cases per person, per year.*

(b) Serve by the glass, on its premises, any alcoholic beverage.

(c) Transfer in bulk wine produced, blended or aged by the winery:

(1) To a person holding a valid wholesale wine and liquor dealer's license issued pursuant to chapter 369 of NRS for the purpose of transferring in bulk the wine to an estate distillery for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237; or

(2) If there is no wholesaler who is able or willing to accept and transfer in bulk the wine pursuant to subparagraph (1), to a person holding a valid license to operate an estate distillery issued pursuant to chapter 369 of NRS for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237 and must be performed in accordance with the terms and conditions of a special permit for the transportation of the wine obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

3. A winery that is issued a wine-maker's license pursuant to NRS 369.200 on or after October 1, 2015:

(a) If 25 percent or more of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown in this State, may:

(1) ~~{Sell at retail or serve}~~ *Serve* by the glass, on its premises, wine produced, blended or aged by the winery.

(2) *Sell at retail, on its premises or through a remote sale, wine produced, blended or aged by the winery. The amount of wine sold at retail for shipment to a location off the premises of the winery must not exceed 12 cases per person, per year.*

(3) Transfer in bulk wine produced, blended or aged by the winery:

(I) To a person holding a valid wholesale wine and liquor dealer's license issued pursuant to chapter 369 of NRS for the purpose of transferring in bulk the wine to an estate distillery for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237; or

(II) If there is no wholesaler who is able or willing to accept and transfer in bulk the wine pursuant to sub-subparagraph (I), to a person holding a valid license to operate an estate distillery issued pursuant to chapter 369 of NRS for the purpose of distillation



1 and blending, which transfer is taxable only as provided in
2 NRS 597.237.

3 (b) If less than 25 percent of the wine produced, blended or aged
4 by the winery is produced, blended or aged from fruit grown in this
5 State, may sell at retail , *on its premises or through a remote sale,*
6 or serve by the glass, on its premises, not more than 1,000 cases of
7 wine produced, blended or aged by the winery per calendar year.
8 *The amount of wine sold at retail for shipment to a location off the*
9 *premises of the winery must not exceed 12 cases per person, per*
10 *year.*

11 4. The owner or operator of a winery shall not:

12 (a) Except as otherwise provided in paragraph (b) of subsection
13 2, sell alcoholic beverages on the premises of the winery other than
14 wine produced, blended or aged by the winery.

15 (b) Produce, blend or age wine at any location other than on the
16 premises of the winery.

17 5. The State Board of Agriculture may adopt regulations for
18 the purposes of ensuring that a winery is in compliance with any
19 requirements established by the Federal Government for labeling
20 bottles of wine produced, blended or aged by the winery.

21 6. For the purposes of this section, an instructional wine-
22 making facility is not a winery.

23 **Sec. 6.** NRS 597.240 is hereby amended to read as follows:

24 597.240 1. A winery that is federally bonded and permitted
25 by the Alcohol and Tobacco Tax and Trade Bureau of the United
26 States Department of the Treasury, including, without limitation, an
27 alternating proprietorship of not more than four such wineries, and
28 that has been issued a wine-maker's license pursuant to NRS
29 369.200 may:

30 (a) Produce, bottle, blend and age wine.

31 (b) Import wine or juice from a winery that is located in another
32 state and that is federally bonded and permitted by the Alcohol and
33 Tobacco Tax and Trade Bureau, to be fermented into wine or, if
34 already fermented, to be mixed with other wine or aged in a suitable
35 cellar, or both.

36 2. A winery that has been issued a wine-maker's license
37 pursuant to NRS 369.200 on or before September 30, 2015, may:

38 (a) Within the limits prescribed by subsection 3, sell at retail ,
39 *on its premises, at one other location and through a remote sale,*
40 or serve by the glass, on its premises and at one other location, wine
41 produced, blended or aged by the winery. The amount of wine sold
42 *at retail* at a location other than on the premises of the winery *or*
43 *sold and shipped to a location off the premises of the winery* may
44 not exceed 50 percent of the total volume of the wine sold by the
45 winery. *The amount of wine sold at retail for shipment to a*



1 *location off the premises of the winery must not exceed 12 cases*
2 *per person, per year.*

3 (b) Serve by the glass, on its premises, any alcoholic beverage.

4 3. A winery that is issued a wine-maker's license pursuant to
5 NRS 369.200:

6 (a) If 25 percent or more of the wine produced, blended or aged
7 by the winery is produced, blended or aged from fruit grown in this
8 State, may:

9 (1) ~~[(Sell at retail or serve)]~~ *Serve* by the glass, on its premises
10 and, if applicable, at one other location, wine produced, blended or
11 aged by the winery.

12 (2) *Sell at retail, on its premises, through a remote sale and,*
13 *if applicable, at one other location, wine produced, blended or*
14 *aged by the winery. The amount of wine sold at retail for shipment*
15 *to a location off the premises of the winery must not exceed 12*
16 *cases per person, per year.*

17 (3) Transfer in bulk wine produced, blended or aged by the
18 winery:

19 (I) To a person holding a valid wholesale wine and liquor
20 dealer's license issued pursuant to chapter 369 of NRS for the
21 purpose of transferring in bulk the wine to an estate distillery for the
22 purpose of distillation and blending, which transfer is taxable only
23 as provided in NRS 597.237; or

24 (II) If there is no wholesaler who is able or willing to
25 accept and transfer in bulk the wine pursuant to sub-subparagraph
26 (I), to a person holding a valid license to operate an estate distillery
27 issued pursuant to chapter 369 of NRS for the purpose of distillation
28 and blending, which transfer is taxable only as provided in
29 NRS 597.237.

30 (b) If less than 25 percent of the wine produced, blended or aged
31 by the winery is produced, blended or aged from fruit grown in this
32 State, may sell at retail , *on its premises, through a remote sale*
33 *and, if applicable, at one other location,* or serve by the glass, on
34 its premises and, if applicable, at one other location, not more than
35 1,000 cases of wine produced, blended or aged by the winery per
36 calendar year. *The amount of wine sold at retail for shipment to a*
37 *location off the premises of the winery must not exceed 12 cases*
38 *per person, per year.*

39 4. The owner or operator of a winery shall not:

40 (a) Except as otherwise provided in paragraph (b) of subsection
41 2, sell alcoholic beverages on the premises of the winery other than
42 wine produced, blended or aged by the winery.

43 (b) Produce, blend or age wine at any location other than on the
44 premises of the winery.



5. The State Board of Agriculture may adopt regulations for the purposes of ensuring that a winery is in compliance with any requirements established by the Federal Government for labeling bottles of wine produced, blended or aged by the winery.

6. For the purposes of this section, an instructional wine-making facility is not a winery.

Sec. 7. Chapter 369 of NRS is hereby amended by adding thereto the provisions set forth as sections 8 and 9 of this act.

Sec. 8. *As used in this chapter, "case of spirits" means 12 bottles, each containing 750 milliliters of distilled spirits.*

Sec. 9. 1. *Any liquor may not be shipped to a retail customer in this State pursuant to NRS 597.230 to 597.240, inclusive, except by a common carrier or a regularly operating contract carrier. Every common carrier and every regularly operating contract carrier shall make available to the Department a statement or freight bill for each such shipment showing:*

(a) The names of the consignor, consignee and carrier of the shipment;

(b) The date when and place where the shipment was received; and

(c) The destination of the shipment.

2. *The Department may adopt regulations requiring:*

(a) The carrier to:

(1) Cause a person who is at least 21 years of age to sign for the receipt of each such shipment by the consignee, and to sign a document confirming the delivery of the shipment to the consignee, before the carrier permits the consignee to remove the shipment from the point of destination or possession of the carrier; and

(2) Forward to the consignor the signed document confirming the delivery of the shipment to the consignee; and

(b) The consignor to forward to the Department the signed document confirming the delivery of the shipment to the consignee.

3. *A person licensed pursuant to NRS 369.200 who ships liquor to a retail customer in this State pursuant to NRS 597.230 to 597.240, inclusive, must pay the excise tax levied pursuant to NRS 369.330.*

4. *A person licensed pursuant to NRS 369.200 who ships liquor to a retail customer in this State pursuant to NRS 597.230 to 597.240, inclusive, shall preserve for inspection and audit by the Department and its agents, for a period of 4 years, all invoices and lists of liquors shipped to a location in this State, specifying the:*

(a) Kind and quantity of liquor shipped in each order.

(b) Name of the person to whom the liquor was shipped.



(c) *Place to which each order was shipped and the date of shipping.*

5. *As used in this section:*

(a) *“Common carrier” means a person who undertakes for hire, as a regular business, the transportation of liquor from place to place, and who offers its services to all who choose to employ it and to pay its charges therefor.*

(b) *“Regularly operating contract carrier” means a person who, as a regular business, transports liquor from place to place pursuant to continuing contractual obligations.*

Sec. 10. NRS 369.350 is hereby amended to read as follows:

369.350 1. Each licensed importer, brewer , *distiller* or wine maker shall furnish a bond executed by him or her as principal, and by a corporation qualified under the laws of this State as surety, payable to the State of Nevada, and conditioned upon the payment of all excise taxes due or to become due from him or her under the provisions of this chapter. Each bond must be in a principal sum equal to the greatest excise tax paid by the importer, brewer , *distiller* or wine maker in any quarter of the preceding year, or if such a standard is not available, then in a sum required from a licensee operating under conditions deemed comparable by the Department. In no case may a bond be for an amount less than \$1,000. When cash or a savings certificate, certificate of deposit or investment certificate is used, the amount required must be rounded off to the next larger integral multiple of \$100.

2. In lieu of a bond a licensed importer, brewer , *distiller* or wine maker may deposit with the Department, under such terms as the Department may prescribe, a like amount of lawful money of the United States or any other form of security authorized by NRS 100.065. If security is provided in the form of a savings certificate, certificate of deposit or investment certificate, the certificate must state that the amount is unavailable for withdrawal except upon order of the Department. The Department shall deposit all cash and bonds of the United States or of the State of Nevada received pursuant to this subsection with the State Treasurer as custodian.

3. Notwithstanding any other provision of this section, upon application and a satisfactory showing therefor, the Department may, from time to time, increase or decrease the amount of the required bond, having consideration for the amount of importations made by the importer or the amount of beer or wine possessed or sold by the brewer or wine maker, respectively.

4. Notwithstanding any other provision of this section, the Department may waive the requirement of a bond pursuant to this section whenever a licensed importer, brewer , *distiller* or wine



maker has maintained a satisfactory record of payment of excise taxes for a period of not less than 5 consecutive years.

Sec. 11. NRS 369.460 is hereby amended to read as follows:

369.460 1. Any person violating any of the provisions of NRS 369.450 *or section 9 of this act*, or any of the regulations made by the Department in respect thereto shall, on conviction, be punished as for a misdemeanor.

2. In addition, any shipment of liquor transported into or within Nevada by an unauthorized carrier shall be confiscated and sold at auction to the highest bidder among the licensed importers in this state. If there is no such bidder, the liquor shall be either destroyed or disposed of as the Department may see fit. The proceeds of all such sales shall be classed as revenues derived from this chapter.

Sec. 12. NRS 369.462 is hereby amended to read as follows:

369.462 A supplier who ships liquor into this state pursuant to paragraph (b) ~~for~~, (c) *or (e)* of subsection 2 of NRS 369.490 must pay the excise tax levied pursuant to NRS 369.330.

Sec. 13. NRS 369.468 is hereby amended to read as follows:

369.468 A supplier who ships liquor into this state pursuant to paragraph (b) ~~for~~, (c) *or (e)* of subsection 2 of NRS 369.490 shall preserve for inspection and audit by the Department and its agents, for a period of 4 years, all invoices and lists of liquors shipped to a location in this state, specifying the:

1. Kind and quantity of liquor shipped in each order.

2. Name of the person to whom the liquor was shipped.

3. Place to which each order was shipped and the date of shipping.

Sec. 14. NRS 369.490 is hereby amended to read as follows:

369.490 1. Except as otherwise provided in subsection 2 and NRS 369.176, a person shall not directly or indirectly, himself or herself or by his or her 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 or her own household or personal use;

(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 or her own household or personal use; or

(d) Who is lawfully in possession of wine produced on the premises of an instructional wine-making facility for his or her own household or personal use and who is acting in a manner authorized by NRS 597.245.

(e) *Who:*

(1) Is a resident of this State;

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

(3) Imports from any individual supplier:

(I) One case or less of spirits per month or 6 cases or less of spirits per year for his or her own household or personal use.

(II) Fifty-four liters or less of malt beverages per year for his or her own household or personal use.

(III) Twelve cases or less of wine per year for his or her own household or personal use.

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

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

