

ASSEMBLY BILL NO. 4—ASSEMBLYMAN HICKEY

PREFILED DECEMBER 19, 2014

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to the operation of a winery in this State. (BDR 52-228)

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 wineries; revising provisions relating to the operation of a winery in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, a winery which is located in a county whose population is
2 100,000 or less (currently all counties other than Clark and Washoe Counties) and
3 is federally bonded may: (1) import wine or juice from a bonded winery in another
4 state for fermentation, mixing with other wine or aging in this State; (2) sell at retail
5 or serve by the glass on its premises and at one other location any wine produced,
6 blended or aged by the winery if the wine sold at that other location does not
7 exceed a certain amount; and (3) serve any alcoholic beverage by the glass on its
8 premises. (NRS 597.240) This bill deletes the restriction concerning the population
9 of the county in which such a winery is located, and authorizes a winery located in
10 any county in this State to import wine or juice for the purpose of producing,
11 bottling, blending and aging wine. This bill imposes certain requirements
12 concerning the percentage of wine produced, blended or aged by certain wineries
13 that must be from fruit grown in this State. This bill also imposes certain
14 restrictions governing the sale by a winery of wine produced by the winery and
15 other alcoholic beverages. Additionally, this bill authorizes the State Board of
16 Agriculture to adopt regulations relating to certain requirements established by the
17 Federal Government for the labeling of bottles of wine.

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

1 **Section 1.** NRS 597.210 is hereby amended to read as follows:
2 597.210 1. Except as otherwise provided in subsection 2 ,
3 ~~and NRS 597.240,~~ a person engaged in business as a supplier or



1 engaged in the business of manufacturing, blending or bottling
2 alcoholic beverages within or without this State shall not:

3 (a) Engage in the business of importing, wholesaling or retailing
4 alcoholic beverages; or

5 (b) Operate or otherwise locate his or her business on the
6 premises or property of another person engaged in the business of
7 importing, wholesaling or retailing alcoholic beverages.

8 2. This section does not:

9 (a) Preclude any person engaged in the business of importing,
10 wholesaling or retailing alcoholic beverages from owning less than
11 2 percent of the outstanding ownership equity in any organization
12 which manufactures, blends or bottles alcoholic beverages.

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

17 (c) Prohibit a person from operating a brew pub pursuant to
18 NRS 597.230.

19 (d) Prohibit a person from operating an instructional wine-
20 making facility pursuant to NRS 597.245.

21 (e) Prohibit a person from operating a craft distillery pursuant to
22 NRS 597.235.

23 *(f) Prohibit a person from operating a winery pursuant to*
24 *NRS 597.240.*

25 **Sec. 2.** NRS 597.240 is hereby amended to read as follows:

26 597.240 1. A winery ~~is located in a county whose population~~
27 ~~is 100,000 or less, if it~~ that is federally bonded ~~is~~ and permitted by
28 *the Alcohol and Tobacco Tax and Trade Bureau of the United*
29 *States Department of the Treasury and that has been issued a*
30 *winemaker's license pursuant to NRS 369.200* may:

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

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

37 ~~(b)~~ 2. *A winery that has been issued a winemaker's license*
38 *pursuant to NRS 369.200 on or before September 30, 2015, may:*

39 (a) Sell at retail or serve by the glass, on its premises and at one
40 other location, wine produced, blended or aged by the winery. The
41 amount of wine sold at a location other than on the premises of the
42 winery may not exceed 50 percent of the total volume of the wine
43 sold by the winery.

44 ~~(e)~~ (b) Serve by the glass, on its premises, any alcoholic
45 beverage.



1 ~~2.~~ 3. *A winery that is issued a winemaker's license*
2 *pursuant to NRS 369.200 on or after October 1, 2015:*

3 (a) *If 25 percent or more of the wine produced, blended or*
4 *aged by the winery is produced, blended or aged from fruit grown*
5 *in this State, may sell at retail or serve by the glass, on its*
6 *premises, wine produced, blended or aged by the winery.*

7 (b) *If less than 25 percent of the wine produced, blended or*
8 *aged by the winery is produced, blended or aged from fruit grown*
9 *in this State, may sell at retail or serve by the glass, on its*
10 *premises, not more than 1,000 cases of wine produced, blended or*
11 *aged by the winery per calendar year.*

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

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

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

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

22 6. For the purposes of this section, an instructional wine-
23 making facility is not a winery. ~~This section does not prohibit a~~
24 ~~person from operating an instructional wine-making facility in any~~
25 ~~county.]~~

26 **Sec. 3.** Section 2 of this act is hereby amended to read as
27 follows:

28 597.240 1. A winery that is federally bonded and
29 permitted by the Alcohol and Tobacco Tax and Trade Bureau
30 of the United States Department of the Treasury and that has
31 been issued a winemaker's license pursuant to NRS 369.200
32 may:

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

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

39 2. A winery that has been issued a winemaker's license
40 pursuant to NRS 369.200 on or before September 30, 2015,
41 may:

42 (a) ~~Sell~~ *Within the limits prescribed by subsection 3,*
43 *sell* at retail or serve by the glass, on its premises and at one
44 other location, wine produced, blended or aged by the winery.
45 The amount of wine sold at a location other than on the



1 premises of the winery may not exceed 50 percent of the total
2 volume of the wine sold by the winery.

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

5 3. A winery that is issued a winemaker's license
6 pursuant to NRS 369.200 : ~~on or after October 1, 2015:~~

7 (a) If 25 percent or more of the wine produced, blended or
8 aged by the winery is produced, blended or aged from fruit
9 grown in this State, may sell at retail or serve by the glass, on
10 its premises ~~+~~ *and, if applicable, at one other location*, wine
11 produced, blended or aged by the winery.

12 (b) If less than 25 percent of the wine produced, blended
13 or aged by the winery is produced, blended or aged from fruit
14 grown in this State, may sell at retail or serve by the glass, on
15 its premises ~~+~~ *and, if applicable, at one other location*, not
16 more than 1,000 cases of wine produced, blended or aged by
17 the winery per calendar year.

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

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

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

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

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

32 **Sec. 4.** 1. This section and sections 1 and 2 of this act
33 become effective on October 1, 2015.

34 2. Section 3 of this act becomes effective on October 1, 2025.

