

1 AN ACT

2 RELATING TO ALCOHOLIC BEVERAGES; ADDING PEARS TO THE
3 DEFINITION OF "CIDER" IN THE LIQUOR EXCISE TAX ACT AND THE
4 LIQUOR CONTROL ACT AND RAISING THE MAXIMUM ALCOHOL CONTENT OF
5 CIDER; AMENDING THE DEFINITION OF "MICROBREWERY" IN THE LIQUOR
6 EXCISE TAX ACT; AMENDING RATES OF THE LIQUOR EXCISE TAX;
7 AMENDING THE DEFINITIONS OF "SPIRITUOUS LIQUORS" AND
8 "WINEGROWER" IN THE LIQUOR CONTROL ACT; PROVIDING FOR PRIVATE
9 CELEBRATION CRAFT DISTILLER'S, WINEGROWER'S AND SMALL
10 BREWER'S PERMITS; CHANGING THE HOURS OF OPERATION OF A CRAFT
11 DISTILLER, WINEGROWER AND SMALL BREWER; ESTABLISHING CRITERIA
12 FOR RENEWAL OF A SMALL BREWER'S LICENSE.

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. Section 7-17-2 NMSA 1978 (being Laws 1966,
16 Chapter 49, Section 2, as amended by Laws 2013, Chapter 94,
17 Section 1 and by Laws 2013, Chapter 95, Section 1) is amended
18 to read:

19 "7-17-2. DEFINITIONS.--As used in the Liquor Excise
20 Tax Act:

21 A. "alcoholic beverages" means distilled or
22 rectified spirits, potable alcohol, brandy, whiskey, rum,
23 gin, aromatic bitters or any similar beverage, including
24 blended or fermented beverages, dilutions or mixtures of one
25 or more of the foregoing containing more than one-half of one

1 percent alcohol by volume, but "alcoholic beverages" does not
2 include medicinal bitters;

3 B. "beer" means an alcoholic beverage obtained by
4 the fermentation of any infusion or decoction of barley, malt
5 and hops or other cereals in water and includes porter, beer,
6 ale and stout;

7 C. "cider" means an alcoholic beverage made from
8 the normal alcoholic fermentation of the juice of sound, ripe
9 apples or pears that contains not less than one-half of one
10 percent of alcohol by volume and not more than eight and
11 one-half percent of alcohol by volume;

12 D. "department" means the taxation and revenue
13 department, the secretary of taxation and revenue or any
14 employee of the department exercising authority lawfully
15 delegated to that employee by the secretary;

16 E. "fortified wine" means wine containing more
17 than fourteen percent alcohol by volume when bottled or
18 packaged by the manufacturer, but "fortified wine" does not
19 include:

20 (1) wine that is sealed or capped by cork
21 closure and aged two years or more;

22 (2) wine that contains more than fourteen
23 percent alcohol by volume solely as a result of the natural
24 fermentation process and that has not been produced with the
25 addition of wine spirits, brandy or alcohol; or

1 (3) vermouth and sherry;

2 F. "microbrewer" means a person who produces less
3 than two hundred thousand barrels of beer per year;

4 G. "person" includes, to the extent permitted by
5 law, a federal, state or other governmental unit or
6 subdivision or an agency, department, institution or
7 instrumentality thereof;

8 H. "small winegrower" means a winegrower who
9 produces less than one million five hundred thousand liters
10 of wine in a year;

11 I. "spirituous liquors" means alcoholic beverages,
12 except fermented beverages such as wine, beer, cider and ale;

13 J. "wholesaler" means a person holding a license
14 issued under Section 60-6A-1 NMSA 1978 or a person selling
15 alcoholic beverages that were not purchased from a person
16 holding a license issued under Section 60-6A-1 NMSA 1978;

17 K. "wine" means an alcoholic beverage other than
18 cider that is obtained by the fermentation of the natural
19 sugar contained in fruit or other agricultural products, with
20 or without the addition of sugar or other products, and that
21 does not contain more than twenty-one percent alcohol by
22 volume; and

23 L. "winegrower" means a person licensed pursuant
24 to Section 60-6A-11 NMSA 1978."

25 SECTION 2. Section 7-17-5 NMSA 1978 (being Laws 1993,

1 Chapter 65, Section 8, as amended by Laws 2013, Chapter 94,
2 Section 2 and by Laws 2013, Chapter 95, Section 2) is amended
3 to read:

4 "7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX.--

5 A. There is imposed on a wholesaler who sells
6 alcoholic beverages on which the tax imposed by this section
7 has not been paid an excise tax, to be referred to as the
8 "liquor excise tax", at the following rates on alcoholic
9 beverages sold:

10 (1) on spirituous liquors, except as
11 provided in Paragraph (9) of this subsection, one dollar
12 sixty cents (\$1.60) per liter;

13 (2) on beer, except as provided in
14 Paragraph (5) of this subsection, forty-one cents (\$.41) per
15 gallon;

16 (3) on wine, except as provided in
17 Paragraphs (4) and (6) of this subsection, forty-five cents
18 (\$.45) per liter;

19 (4) on fortified wine, one dollar fifty
20 cents (\$1.50) per liter;

21 (5) on beer manufactured or produced by a
22 microbrewer and sold in this state, provided that proof is
23 furnished to the department that the beer was manufactured or
24 produced by a microbrewer, eight cents (\$.08) per gallon on
25 the first thirty thousand barrels sold, twenty-eight cents

1 (\$.28) per gallon for all barrels sold over thirty thousand
2 barrels but less than sixty thousand barrels and forty-one
3 cents (\$.41) per gallon for sixty thousand or more barrels
4 sold;

5 (6) on wine manufactured or produced by a
6 small winegrower and sold in this state, provided that proof
7 is furnished to the department that the wine was manufactured
8 or produced by a small winegrower:

9 (a) ten cents (\$.10) per liter on the
10 first eighty thousand liters sold;

11 (b) twenty cents (\$.20) per liter on
12 each liter sold over eighty thousand liters but not over nine
13 hundred fifty thousand liters; and

14 (c) thirty cents (\$.30) per liter on
15 each liter sold over nine hundred fifty thousand liters but
16 not over one million five hundred thousand liters;

17 (7) on cider, except as provided in
18 Paragraph (8) of this subsection, forty-one cents (\$.41) per
19 gallon;

20 (8) on cider manufactured or produced by a
21 small winegrower and sold in this state, provided that proof
22 is furnished to the department that the cider was
23 manufactured or produced by a small winegrower, eight cents
24 (\$.08) per gallon on the first thirty thousand barrels sold,
25 twenty-eight cents (\$.28) per gallon for all barrels sold

1 over thirty thousand barrels but less than sixty thousand
2 barrels and forty-one cents (\$.41) per gallon for sixty
3 thousand or more barrels sold; and

4 (9) on spirituous liquors manufactured or
5 produced by a craft distiller licensed pursuant to
6 Section 60-6A-6.1 NMSA 1978, provided that proof is provided
7 to the department that the spirituous liquors were
8 manufactured or produced by a craft distiller, for products
9 up to ten percent alcohol by volume, eight cents (\$.08) per
10 liter for the first two hundred fifty thousand liters sold
11 and twenty-eight cents (\$.28) per liter for the next two
12 hundred fifty thousand liters sold and for products over ten
13 percent alcohol by volume, thirty-two cents (\$.32) per liter
14 on the first one hundred seventy-five thousand liters sold
15 and sixty-five cents (\$.65) per liter on the next two hundred
16 thousand liters sold.

17 B. The volume of wine transferred from one
18 winegrower to another winegrower for processing, bottling or
19 storage and subsequent return to the transferor shall be
20 excluded pursuant to Section 7-17-6 NMSA 1978 from the
21 taxable volume of wine of the transferee. Wine transferred
22 from an initial winegrower to a second winegrower remains a
23 tax liability of the transferor, provided that if the wine is
24 transferred to the transferee for the transferee's use or for
25 resale, the transferee then assumes the liability for the tax

1 due pursuant to this section.

2 C. A transfer of wine from a winegrower to a
3 wholesaler for distribution of the wine transfers the
4 liability for payment of the liquor excise tax to the
5 wholesaler upon the sale of the wine by the wholesaler."

6 SECTION 3. Section 60-3A-3 NMSA 1978 (being Laws 1981,
7 Chapter 39, Section 3, as amended by Laws 2016, Chapter 73,
8 Section 1 and by Laws 2016, Chapter 76, Section 1) is amended
9 to read:

10 "60-3A-3. DEFINITIONS.--As used in the Liquor Control
11 Act:

12 A. "alcoholic beverages" means distilled or
13 rectified spirits, potable alcohol, powdered alcohol, frozen
14 or freeze-dried alcohol, brandy, whiskey, rum, gin and
15 aromatic bitters bearing the federal internal revenue strip
16 stamps or any similar alcoholic beverage, including blended
17 or fermented beverages, dilutions or mixtures of one or more
18 of the foregoing containing more than one-half percent
19 alcohol, but excluding medicinal bitters;

20 B. "beer" means an alcoholic beverage obtained by
21 the fermentation of any infusion or decoction of barley, malt
22 and hops or other cereals in water, and includes porter,
23 beer, ale and stout;

24 C. "brewer" means a person who owns or operates a
25 business for the manufacture of beer;

1 D. "cider" means an alcoholic beverage made from
2 the normal alcoholic fermentation of the juice of sound, ripe
3 apples or pears that contains not less than one-half of one
4 percent alcohol by volume and not more than eight and one-
5 half percent alcohol by volume;

6 E. "club" means:

7 (1) any nonprofit group, including an
8 auxiliary or subsidiary group, organized and operated under
9 the laws of this state, with a membership of not less than
10 fifty members who pay membership dues at the rate of not less
11 than five dollars (\$5.00) per year and who, under the
12 constitution and bylaws of the club, have all voting rights
13 and full membership privileges, and which group is the owner,
14 lessee or occupant of premises used exclusively for club
15 purposes and which group the director finds:

16 (a) is operated solely for recreation,
17 social, patriotic, political, benevolent or athletic
18 purposes; and

19 (b) has been granted an exemption by
20 the United States from the payment of the federal income tax
21 as a club under the provisions of Section 501(a) of the
22 Internal Revenue Code of 1986, as amended, or, if the
23 applicant has not operated as a club for a sufficient time to
24 be eligible for the income tax exemption, it must execute and
25 file with the director a sworn letter of intent declaring

1 that it will, in good faith, apply for an income tax
2 exemption as soon as it is eligible; or

3 (2) an airline passenger membership club
4 operated by an air common carrier that maintains or operates
5 a clubroom at an international airport terminal. As used in
6 this paragraph, "air common carrier" means a person engaged
7 in regularly scheduled air transportation between fixed
8 termini under a certificate of public convenience and
9 necessity issued by the federal aviation administration;

10 F. "commission" means the secretary of public
11 safety when the term is used in reference to the enforcement
12 and investigatory provisions of the Liquor Control Act and
13 means the superintendent of regulation and licensing when the
14 term is used in reference to the licensing provisions of the
15 Liquor Control Act;

16 G. "department" means the New Mexico state police
17 division of the department of public safety when the term is
18 used in reference to the enforcement and investigatory
19 provisions of the Liquor Control Act and means the director
20 of the alcohol and gaming division of the regulation and
21 licensing department when the term is used in reference to
22 the licensing provisions of the Liquor Control Act;

23 H. "director" means the chief of the New Mexico
24 state police division of the department of public safety when
25 the term is used in reference to the enforcement and

1 investigatory provisions of the Liquor Control Act and means
2 the director of the alcohol and gaming division of the
3 regulation and licensing department when the term is used in
4 reference to the licensing provisions of the Liquor Control
5 Act;

6 I. "dispenser" means a person licensed under the
7 provisions of the Liquor Control Act selling, offering for
8 sale or having in the person's possession with the intent to
9 sell alcoholic beverages both by the drink for consumption on
10 the licensed premises and in unbroken packages, including
11 growlers, for consumption and not for resale off the licensed
12 premises;

13 J. "distiller" means a person engaged in
14 manufacturing spirituous liquors;

15 K. "golf course" means a tract of land and
16 facilities used for playing golf and other recreational
17 activities that includes tees, fairways, greens, hazards,
18 putting greens, driving ranges, recreational facilities,
19 patios, pro shops, cart paths and public and private roads
20 that are located within the tract of land;

21 L. "governing body" means the board of county
22 commissioners of a county or the city council or city
23 commissioners of a municipality;

24 M. "growler" means a clean, refillable, resealable
25 container that has a liquid capacity that does not exceed one

1 gallon and that is intended and used for the sale of beer,
2 wine or cider for consumption off premises;

3 N. "hotel" means an establishment or complex
4 having a resident of New Mexico as a proprietor or manager
5 and where, in consideration of payment, meals and lodging are
6 regularly furnished to the general public. The establishment
7 or complex must maintain for the use of its guests a minimum
8 of twenty-five sleeping rooms;

9 O. "licensed premises" means the contiguous areas
10 or areas connected by indoor passageways of a structure and
11 the outside dining, recreation and lounge areas of the
12 structure and the grounds and vineyards of a structure that
13 is a winery that are under the direct control of the licensee
14 and from which the licensee is authorized to sell, serve or
15 allow the consumption of alcoholic beverages under the
16 provisions of its license; provided that in the case of a
17 restaurant, "licensed premises" includes a restaurant that
18 has operated continuously in two separate structures since
19 July 1, 1987 and that is located in a local option district
20 that has voted to disapprove the transfer of liquor licenses
21 into that local option district, hotel, golf course, ski area
22 or racetrack and all public and private rooms, facilities and
23 areas in which alcoholic beverages are sold or served in the
24 customary operating procedures of the restaurant, hotel, golf
25 course, ski area or racetrack. "Licensed premises" also

1 includes rural dispenser licenses located in the
2 unincorporated areas of a county with a population of less
3 than thirty thousand, located in buildings in existence as of
4 January 1, 2012, that are within one hundred fifty feet of
5 one another and that are under the direct control of the
6 license holder;

7 P. "local option district" means a county that has
8 voted to approve the sale, serving or public consumption of
9 alcoholic beverages, or an incorporated municipality that
10 falls within a county that has voted to approve the sale,
11 serving or public consumption of alcoholic beverages, or an
12 incorporated municipality of over five thousand population
13 that has independently voted to approve the sale, serving or
14 public consumption of alcoholic beverages under the terms of
15 the Liquor Control Act or any former act;

16 Q. "manufacturer" means a distiller, rectifier,
17 brewer or winer;

18 R. "minor" means a person under twenty-one years
19 of age;

20 S. "package" means an immediate container of
21 alcoholic beverages that is filled or packed by a
22 manufacturer or wine bottler for sale by the manufacturer or
23 wine bottler to wholesalers;

24 T. "person" means an individual, corporation,
25 firm, partnership, copartnership, association or other legal

1 entity;

2 U. "rectifier" means a person who blends, mixes or
3 distills alcohol with other liquids or substances for the
4 purpose of making an alcoholic beverage for the purpose of
5 sale other than to the consumer by the drink, and includes
6 all bottlers of spirituous liquors;

7 V. "restaurant" means an establishment having a
8 New Mexico resident as a proprietor or manager that is held
9 out to the public as a place where meals are prepared and
10 served primarily for on-premises consumption to the general
11 public in consideration of payment and that has a dining
12 room, a kitchen and the employees necessary for preparing,
13 cooking and serving meals; provided that "restaurant" does
14 not include establishments as defined in rules promulgated by
15 the director serving only hamburgers, sandwiches, salads and
16 other fast foods;

17 W. "retailer" means a person licensed under the
18 provisions of the Liquor Control Act selling, offering for
19 sale or having in the person's possession with the intent to
20 sell alcoholic beverages in unbroken packages, including
21 growlers, for consumption and not for resale off the licensed
22 premises;

23 X. "ski area" means a tract of land and facilities
24 for the primary purpose of alpine skiing, snowboarding or
25 other snow sports with trails, parks and at least one

1 chairlift with uphill capacity and may include facilities
2 necessary for other seasonal or year-round recreational
3 activities;

4 Y. "spirituous liquors" means alcoholic beverages
5 as defined in Subsection A of this section except fermented
6 beverages such as wine, beer, cider and ale;

7 Z. "wholesaler" means a person whose place of
8 business is located in New Mexico and who sells, offers for
9 sale or possesses for the purpose of sale any alcoholic
10 beverages for resale by the purchaser;

11 AA. "wine" includes the words "fruit juices" and
12 means alcoholic beverages obtained by the fermentation of the
13 natural sugar contained in fruit or other agricultural
14 products, with or without the addition of sugar or other
15 products, that do not contain less than one-half percent nor
16 more than twenty-one percent alcohol by volume;

17 BB. "wine bottler" means a New Mexico wholesaler
18 who is licensed to sell wine at wholesale for resale only and
19 who buys wine in bulk and bottles it for wholesale resale;

20 CC. "winegrower" means a person who owns or
21 operates a business for the manufacture of wine or cider;

22 DD. "winer" means a winegrower; and

23 EE. "winery" means a facility in which a
24 winegrower manufactures and stores wine or cider."

25 SECTION 4. Section 60-6A-6.1 NMSA 1978 (being Laws

1 2011, Chapter 110, Section 3, as amended) is amended to read:

2 "60-6A-6.1. CRAFT DISTILLER'S LICENSE.--

3 A. In any local option district, a person
4 qualified pursuant to the provisions of the Liquor Control
5 Act, except as otherwise provided in the Domestic Winery,
6 Small Brewery and Craft Distillery Act, may apply for and be
7 issued a craft distiller's license subject to the following
8 conditions:

9 (1) the applicant submits evidence to the
10 department that the applicant has a valid and appropriate
11 permit issued by the federal government to be a craft
12 distiller;

13 (2) renewal of the license shall be
14 conditioned upon:

15 (a) no less than sixty percent of the
16 gross receipts from the sale of spirituous liquors for the
17 preceding twelve months of the licensee's operation being
18 derived from the sale of spirituous liquors produced by the
19 licensee;

20 (b) the manufacture of no less than one
21 thousand proof gallons of spirituous liquors per license year
22 at the licensee's premises; and

23 (c) submission to the department by the
24 licensee of a report showing the number of proof gallons of
25 spirituous liquors manufactured by the licensee at the

1 licensee's premises and the annual gross receipts from the
2 sale of spirituous liquors produced by the licensee and from
3 the licensee's sale of distilled spirituous liquors produced
4 by other New Mexico licensed craft distillers;

5 (3) a craft distiller's license shall not be
6 transferred from person to person or from one location to
7 another;

8 (4) the provisions of Section 60-6A-18 NMSA
9 1978 shall not apply to a craft distiller's license; and

10 (5) nothing in this section shall prevent a
11 craft distiller from receiving other licenses pursuant to the
12 Liquor Control Act.

13 B. A person to whom a craft distiller's license is
14 issued pursuant to this section may do any of the following:

15 (1) manufacture or produce spirituous
16 liquors, including aging, filtering, blending, mixing,
17 flavoring, coloring, bottling and labeling;

18 (2) store, transport, import or export
19 spirituous liquors;

20 (3) sell only spirituous liquors that are
21 packaged by or for the craft distiller to a person holding a
22 wholesaler's license, a craft distiller's license or a
23 manufacturer's license;

24 (4) deal in warehouse receipts for
25 spirituous liquors;

1 (5) buy spirituous liquors from other
2 persons, including licensees and permittees under the Liquor
3 Control Act, for use in blending, flavoring, mixing or
4 bottling of spirituous liquors;

5 (6) be deemed a manufacturer for purposes of
6 the Gross Receipts and Compensating Tax Act;

7 (7) conduct spirituous liquor tastings and
8 sell, by the glass or by the bottle, or in unbroken packages
9 for consumption off the premises but not for resale,
10 spirituous liquors of the craft distiller's own production or
11 spirituous liquors produced by another New Mexico craft
12 distiller or New Mexico manufacturer on the craft distiller's
13 premises; and

14 (8) at no more than three other locations
15 off the craft distiller's premises, after the craft distiller
16 has paid the applicable fee for a craft distiller's
17 off-premises permit, after the director has determined that
18 the off-premises locations meet the requirements of the
19 Liquor Control Act and department rules for new liquor
20 license locations and after the director has issued a craft
21 distiller's off-premises permit for each off-premises
22 location, conduct spirituous liquor tastings and sell by the
23 glass, or in unbroken packages for consumption and not for
24 resale, spirituous liquors produced and bottled by or for the
25 craft distiller or spirituous liquors produced and bottled by

1 or for another New Mexico craft distiller or manufacturer.

2 C. For a public or private celebration on or off
3 the craft distiller's premises in any local option district
4 permitting the sale of alcoholic beverages, a craft distiller
5 shall pay ten dollars (\$10.00) to the department for a "craft
6 distiller's public celebration permit" or a "craft
7 distiller's private celebration permit" to be issued under
8 rules adopted by the director. Upon request, the department
9 may issue to a craft distiller a public celebration permit
10 for a location at the public celebration that is to be shared
11 with other craft distillers, small brewers and winegrowers.

12 D. At private celebrations on or off the craft
13 distiller's premises after the craft distiller has paid the
14 applicable fees and been issued the appropriate permit, the
15 craft distiller may sell by the glass spirituous liquors
16 produced by or for the craft distiller.

17 E. Sales and tastings of spirituous liquors
18 authorized in this section shall be permitted during the
19 hours set forth in Subsection A of Section 60-7A-1 NMSA 1978
20 and between the hours of 11:00 a.m. and midnight on Sunday
21 and shall conform to the limitations regarding Christmas day
22 sales and the expansion of Sunday sales hours to 2:00 a.m. on
23 January 1, when December 31 falls on a Sunday as set forth in
24 Section 60-7A-1 NMSA 1978.

25 F. As used in this section:

1 (1) "private celebration" means any
2 celebratory activity that is held in a private or public
3 venue not open to the general public and for which attendance
4 is subject to private invitation; and

5 (2) "public celebration" includes any state
6 or county fair, community fiesta, cultural or artistic event,
7 sporting competition of a seasonal nature or activities held
8 on an intermittent basis."

9 SECTION 5. Section 60-6A-11 NMSA 1978 (being Laws 1981,
10 Chapter 39, Section 28, as amended by Laws 2015, Chapter 102,
11 Section 4 and by Laws 2015, Chapter 105, Section 1 and also
12 by Laws 2015, Chapter 124, Section 1) is amended to read:

13 "60-6A-11. WINEGROWER'S LICENSE.--

14 A. A person in this state who produces wine or
15 cider is exempt from the procurement of any other license
16 pursuant to the terms of the Liquor Control Act, but not from
17 the procurement of a winegrower's license. Except during
18 periods of shortage or reduced availability, at least fifty
19 percent of a winegrower's overall annual production of wine
20 shall be produced from grapes or other agricultural products
21 grown in this state pursuant to rules adopted by the
22 director; provided, however, that, for purposes of
23 determining annual production and compliance with the fifty
24 percent New Mexico grown provision of this subsection, the
25 calculation of a winegrower's overall annual production of

1 wine shall not include the winegrower's production of wine
2 for out-of-state wine producer license holders.

3 B. A person issued a winegrower's license pursuant
4 to this section may do any of the following:

5 (1) manufacture or produce wine or cider,
6 including blending, mixing, flavoring, coloring, bottling and
7 labeling, whether the wine or cider is manufactured
8 or produced for a winegrower or an out-of-state wine producer
9 holding a permit issued pursuant to the Federal Alcohol
10 Administration Act and a valid license in a state that
11 authorizes the wine or cider producer to manufacture,
12 produce, store or sell wine or cider;

13 (2) store, transport, import or export wines
14 or ciders;

15 (3) sell wines or ciders to a holder of a
16 New Mexico winegrower's, wine wholesaler's, wholesaler's or
17 wine exporter's license or to a winegrower's agent;

18 (4) transport not more than two hundred
19 cases of wine in a calendar year to another location within
20 New Mexico by common carrier;

21 (5) deal in warehouse receipts for wine or
22 cider;

23 (6) sell wines or ciders in other states or
24 foreign jurisdictions to the holders of a license issued
25 under the authority of that state or foreign jurisdiction

1 authorizing the purchase of wine or cider;

2 (7) buy wine or cider or distilled wine
3 products from other persons, including licensees and
4 permittees under the Liquor Control Act, for use in blending,
5 mixing or bottling of wines or ciders;

6 (8) buy or otherwise obtain beer from a
7 small brewer for the purposes described in this subsection;

8 (9) conduct wine or cider tastings and sell,
9 by the glass or by the bottle, or sell in unbroken packages
10 for consumption off the premises, but not for resale, wine or
11 cider of the winegrower's own production, wine or cider
12 produced by another New Mexico winegrower on the winegrower's
13 premises or beer produced and bottled by or for a small
14 brewer pursuant to Section 60-6A-26.1 NMSA 1978;

15 (10) at no more than three off-premises
16 locations, conduct wine or cider tastings, sell by the glass
17 and sell in unbroken packages for consumption off premises,
18 but not for resale, wine or cider of the winegrower's own
19 production, wine or cider produced by another New Mexico
20 winegrower or beer produced and bottled by or for a small
21 brewer pursuant to Section 60-6A-26.1 NMSA 1978 after the
22 director has determined that the off-premises locations meet
23 the requirements of the Liquor Control Act and the department
24 rules for new liquor license locations;

25 (11) be deemed a manufacturer for purposes

1 of the Gross Receipts and Compensating Tax Act;

2 (12) at public celebrations on or off the
3 winegrower's premises, after the winegrower has paid the
4 applicable fees and been issued the appropriate permit, to
5 conduct wine or cider tastings, sell by the glass or the
6 bottle, or sell in unbroken packages, for consumption off
7 premises, but not for resale, wine or cider produced by or
8 for the winegrower;

9 (13) at private celebrations on or off the
10 winegrower's premises after the winegrower has paid the
11 applicable fees and been issued the appropriate permit, sell:

12 (a) by the glass or bottle, wine or
13 cider produced by or for the winegrower; or

14 (b) by the glass, beer produced by a
15 small brewer pursuant to Section 60-6A-26.1 NMSA 1978;

16 (14) sell wine or cider in a growler for
17 consumption off premises; and

18 (15) in accordance with the provisions of
19 this section that relate to the sale of wine or cider, accept
20 and fulfill an order for wine or cider that is placed via an
21 internet website, whether the financial transaction related
22 to the order is administered by the licensee or the
23 licensee's agent.

24 C. Sales of wine or cider or beer as provided for
25 in this section shall be permitted between the hours of 7:00

1 a.m. and midnight Monday through Saturday, and the holder of
2 a winegrower's license or public celebration permit may
3 conduct wine or cider tastings and sell, by the glass or
4 bottle, or sell in unbroken packages for consumption off
5 premises, but not for resale, wine or cider of the
6 winegrower's own production or beer produced and bottled by
7 or for a small brewer pursuant to Section 60-6A-26.1 NMSA
8 1978 on the winegrower's premises between the hours of
9 11:00 a.m. and midnight on Sunday.

10 D. At public and private celebrations on or off
11 the winegrower's premises in any local option district
12 permitting the sale of alcoholic beverages, the holder of a
13 winegrower's license shall pay ten dollars (\$10.00) to the
14 alcohol and gaming division of the regulation and licensing
15 department for a "winegrower's public celebration permit" or
16 a "winegrower's private celebration permit" to be issued
17 under rules adopted by the director. Upon request, the
18 alcohol and gaming division of the regulation and licensing
19 department may issue to a holder of a winegrower's license a
20 public celebration permit for a location at the public
21 celebration that is to be shared with other winegrowers and
22 small brewers.

23 E. Every application for the issuance or annual
24 renewal of a winegrower's license shall be on a form
25 prescribed by the director and accompanied by a license fee

1 to be computed as follows on the basis of total annual wine
2 or cider produced or blended:

3 (1) less than five thousand gallons per
4 year, twenty-five dollars (\$25.00) per year;

5 (2) between five thousand and one hundred
6 thousand gallons per year, one hundred dollars (\$100) per
7 year; and

8 (3) over one hundred thousand gallons per
9 year, two hundred fifty dollars (\$250) per year.

10 F. As used in this section:

11 (1) "private celebration" means any
12 celebratory activity that is held in a private or public
13 venue not open to the general public and for which attendance
14 is subject to private invitation; and

15 (2) "public celebration" includes any state
16 or county fair, community fiesta, cultural or artistic event,
17 sporting competition of a seasonal nature or activities held
18 on an intermittent basis."

19 SECTION 6. Section 60-6A-26.1 NMSA 1978 (being Laws
20 1985, Chapter 217, Section 5, as amended by Laws 2015,
21 Chapter 102, Section 5 and by Laws 2015, Chapter 124, Section
22 2) is amended to read:

23 "60-6A-26.1. SMALL BREWER'S LICENSE.--

24 A. In a local option district, a person qualified
25 pursuant to the provisions of the Liquor Control Act, except

1 as otherwise provided in the Domestic Winery, Small Brewery
2 and Craft Distillery Act, may apply for and be issued a small
3 brewer's license.

4 B. A small brewer's license authorizes the person
5 to whom it is issued to:

6 (1) manufacture or produce beer;

7 (2) package, label and export beer, whether
8 manufactured, bottled or produced by the licensee or any
9 other person;

10 (3) sell only beer that is packaged by or
11 for the licensee to a person holding a wholesaler's license
12 or a small brewer's license;

13 (4) deal in warehouse receipts for beer;

14 (5) conduct beer tastings and sell for
15 consumption on or off premises, but not for resale, beer
16 produced and bottled by, or produced and packaged for, the
17 licensee, beer produced and bottled by or for another New
18 Mexico small brewer on the small brewer's premises or wine or
19 cider produced by a winegrower pursuant to Section 60-6A-11
20 NMSA 1978;

21 (6) be deemed a manufacturer for purposes of
22 the Gross Receipts and Compensating Tax Act;

23 (7) at public celebrations off the small
24 brewer's premises, after the small brewer has paid the
25 applicable fee for a small brewer's public celebration

1 permit, conduct tastings and sell by the glass or in unbroken
2 packages, but not for resale, beer produced and bottled by or
3 for the small brewer or wine or cider produced by a
4 winegrower pursuant to Section 60-6A-11 NMSA 1978;

5 (8) at private celebrations on or off the
6 small brewer's premises after the small brewer has paid the
7 applicable fees for a private celebration permit, sell by the
8 glass, beer produced and bottled by or for the small brewer
9 or wine or cider produced by a winegrower pursuant to Section
10 60-6A-11 NMSA 1978;

11 (9) buy or otherwise obtain wine or cider
12 from a winegrower;

13 (10) for the purposes described in this
14 subsection, at no more than three other locations off the
15 small brewer's premises, after the small brewer has paid the
16 applicable fee for a small brewer's off-premises permit,
17 after the director has determined that the off-premises
18 locations meet the requirements of the Liquor Control Act and
19 department rules for new liquor license locations and after
20 the director has issued a small brewer's off-premises permit
21 for each off-premises location, conduct beer tastings and
22 sell by the glass or in unbroken packages for consumption off
23 the small brewer's off-premises location, but not for resale,
24 beer produced and bottled by or for the small brewer, beer
25 produced and bottled by or for another New Mexico small

1 brewer or wine or cider produced by a winegrower pursuant to
2 Section 60-6A-11 NMSA 1978;

3 (11) allow members of the public, on the
4 licensed premises and under the direct supervision of the
5 licensee, to manufacture beer for personal consumption and
6 not for resale using the licensee's equipment and
7 ingredients; and

8 (12) sell beer in a growler for consumption
9 off premises.

10 C. Renewal of a small brewer's license shall be
11 conditioned upon submission to the department by the licensee
12 of a report showing proof that:

13 (1) no less than fifty percent of the gross
14 receipts from the sale of beer for the preceding twelve
15 months of the licensee's operation are derived from the sale
16 of beer produced by the licensee; or

17 (2) the licensee manufactures no less than
18 fifty barrels of beer per license year at the licensee's
19 premises.

20 D. At public and private celebrations on or off
21 the small brewer's premises in a local option district
22 permitting the sale of alcoholic beverages, the holder of a
23 small brewer's license shall pay ten dollars (\$10.00) to the
24 alcohol and gaming division of the regulation and licensing
25 department for a "small brewer's public celebration permit"

1 or a "small brewer's private celebration permit" to be issued
2 under rules adopted by the director. Upon request, the
3 alcohol and gaming division of the regulation and licensing
4 department may issue to a holder of a small brewer's license
5 a public celebration permit for a location at the public
6 celebration that is to be shared with other small brewers and
7 winegrowers.

8 E. Sales and tastings of beer, wine or cider
9 authorized in this section shall be permitted during the
10 hours set forth in Subsection A of Section 60-7A-1 NMSA 1978
11 and between the hours of 11:00 a.m. and midnight on Sunday
12 and shall conform to the limitations regarding Christmas and
13 voting-day sales found in Section 60-7A-1 NMSA 1978 and the
14 expansion of Sunday sales hours to 2:00 a.m. on January 1,
15 when December 31 falls on a Sunday.

16 F. As used in this section:

17 (1) "private celebration" means any
18 celebratory activity that is held in a private or public
19 venue not open to the general public and for which attendance
20 is subject to private invitation; and

21 (2) "public celebration" includes any state
22 or county fair, community fiesta, cultural or artistic event,
23 sporting competition of a seasonal nature or activities held
24 on an intermittent basis."

25 SECTION 7. EFFECTIVE DATE.--The effective date of the

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provisions of this act is July 1, 2019. _____