

AMENDMENTS TO LB1236

Introduced by General Affairs.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 53-123.14, Reissue Revised Statutes of Nebraska,
4 is amended to read:

5 53-123.14 (1) Any person who operates a craft brewery shall obtain
6 a license pursuant to the Nebraska Liquor Control Act. A license to
7 operate a craft brewery shall permit the production of a maximum of
8 twenty thousand barrels of beer per year in the aggregate from all
9 physical locations comprising the licensed premises. A craft brewery may
10 also sell to beer wholesalers for sale and distribution to licensed
11 retailers. A craft brewery license issued pursuant to this section shall
12 be the only license required by the Nebraska Liquor Control Act for the
13 manufacture and retail sale of beer for consumption on or off the
14 licensed premises, except that the sale of any beer other than beer
15 manufactured by the craft brewery licensee, wine, or alcoholic liquor by
16 the drink for consumption on the licensed premises shall require the
17 appropriate retail license. Any license held by the operator of a craft
18 brewery shall be subject to the act. A holder of a craft brewery license
19 may obtain an annual catering license pursuant to section 53-124.12, a
20 special designated license pursuant to section 53-124.11, an
21 entertainment district license pursuant to section 53-123.17, or a
22 promotional farmers market special designated license pursuant to section
23 53-124.16. For purposes of this section, licensed premises may include up
24 to five separate physical locations.

25 (2)(a) A holder of a craft brewery license may directly sell for
26 resale up to two hundred fifty barrels per calendar year of beer produced
27 at its licensed premises directly to retail licensees located in the

1 State of Nebraska which hold the appropriate retail license if the holder
2 of the craft brewery license:

3 (i) Only self-distributes its beer in a territory in which the craft
4 brewery licensee has not entered into a distribution agreement with a
5 licensed Nebraska wholesaler for the territory where such retail licensee
6 is located;

7 (ii) Self-distributes its beer utilizing only persons exclusively
8 and solely employed by the craft brewery licensee in vehicles exclusively
9 and solely owned or leased by the craft brewery licensee; and

10 (iii) Complies with all relevant statutes, rules, and regulations
11 that apply to Nebraska beer wholesalers regarding distribution of such
12 beer.

13 (b) A holder of a craft brewery license self-distributing beer in
14 accordance with subdivision (2)(a) of this section may only self-
15 distribute beer brewed at its licensed brewery premises and shall not
16 distribute beer produced by any other licensee.

17 (3) A holder of a craft brewery license may store and warehouse tax-
18 paid products produced on such licensee's licensed premises in a
19 designated, secure, offsite storage facility if the holder of the craft
20 brewery license receives authorization from the commission and notifies
21 the commission of the location of the storage facility and maintains, at
22 the craft brewery and at the storage facility, a separate perpetual
23 inventory of the product stored at the storage facility. Consumption of
24 alcoholic liquor at the storage facility is strictly prohibited.

25 (4) The Nebraska Liquor Control Commission may adopt and promulgate
26 rules and regulations pertaining to distribution rights of craft brewery
27 licensees.

28 Sec. 2. Section 53-123.16, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 53-123.16 Any person who operates a microdistillery shall obtain a
31 license pursuant to the Nebraska Liquor Control Act. A license to operate

1 a microdistillery shall permit the licensee to produce ~~on the premises~~ a
2 maximum of one hundred thousand gallons of liquor per year in the
3 aggregate from all physical locations comprising the licensed premises.
4 For purposes of this section, licensed premises may include up to five
5 separate physical locations. A microdistillery may also sell to licensed
6 wholesalers for sale and distribution to licensed retailers. A
7 microdistillery license issued pursuant to this section shall be the only
8 license required by the Nebraska Liquor Control Act for the manufacture
9 and retail sale of microdistilled product for consumption on or off the
10 licensed premises, except that the sale of any beer, wine, or alcoholic
11 liquor, other than microdistilled product manufactured by the
12 microdistillery licensee, by the drink for consumption on the
13 microdistillery premises shall require the appropriate retail license.
14 Any license held by the operator of a microdistillery shall be subject to
15 the act. A holder of a microdistillery license may obtain an annual
16 catering license pursuant to section 53-124.12, a special designated
17 license pursuant to section 53-124.11, an entertainment district license
18 pursuant to section 53-123.17, or a promotional farmers market special
19 designated license pursuant to section 53-124.16. The commission may,
20 upon the conditions it determines, grant to any microdistillery licensed
21 under this section a special license authorizing the microdistillery to
22 purchase and to import, from such persons as are entitled to sell the
23 same, wines or spirits to be used solely as ingredients and for the sole
24 purpose of blending with and flavoring microdistillery products as a part
25 of the microdistillation process.

26 Sec. 3. Section 53-124.11, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 53-124.11 (1) The commission may issue a special designated license
29 for sale or consumption of alcoholic liquor at a designated location to a
30 retail licensee, a craft brewery licensee, a microdistillery licensee, a
31 farm winery licensee, the holder of a manufacturer's license issued

1 pursuant to subsection (2) of section 53-123.01, a municipal corporation,
2 a fine arts museum incorporated as a nonprofit corporation, a religious
3 nonprofit corporation which has been exempted from the payment of federal
4 income taxes, a political organization which has been exempted from the
5 payment of federal income taxes, or any other nonprofit corporation the
6 purpose of which is fraternal, charitable, or public service and which
7 has been exempted from the payment of federal income taxes, under
8 conditions specified in this section. The applicant shall demonstrate
9 meeting the requirements of this subsection.

10 ~~(2)(a) (2) No retail licensee, craft brewery licensee,~~
11 ~~microdistillery licensee, farm winery licensee, holder of a~~
12 ~~manufacturer's license issued pursuant to subsection (2) of section~~
13 ~~53-123.01, organization, or corporation enumerated in subsection (1) of~~
14 ~~this section may be issued a special designated license under this~~
15 ~~section for more than six calendar days in any one calendar year. Only~~
16 ~~one special designated license shall be required for any application for~~
17 ~~two or more consecutive days. This subsection shall not apply to any~~
18 ~~holder of a catering license.~~

19 (b) A municipal corporation, a fine arts museum incorporated as a
20 nonprofit corporation, a religious nonprofit corporation which has been
21 exempted from the payment of federal income taxes, a political
22 organization which has been exempted from the payment of federal income
23 taxes, or any other nonprofit corporation the purpose of which is
24 fraternal, charitable, or public service and which has been exempted from
25 the payment of federal income taxes, may apply for special designated
26 licenses for the same location in a single application. The application
27 shall include all dates and times for which a special designated license
28 is being requested at such location.

29 (c) This subsection shall not apply to any holder of a catering
30 license.

31 (3) Except for any special designated license issued to a holder of

1 a catering license or to an organization or corporation as provided in
2 subdivision (2)(b) of this section, there shall be a fee of forty dollars
3 for each day identified in the special designated license. For a special
4 designated license issued to an organization or corporation as provided
5 in subdivision (2)(b) of this section, there shall be a fee of forty
6 dollars for the initial special designated license and ten dollars for
7 each additional day beyond the first at the same location in such
8 application. Such fee shall be submitted with the application for the
9 special designated license, collected by the commission, and remitted to
10 the State Treasurer for credit to the General Fund. The applicant shall
11 be exempt from the provisions of the Nebraska Liquor Control Act
12 requiring an application or renewal fee and the provisions of the act
13 requiring the expiration of forty-five days from the time the application
14 is received by the commission prior to the issuance of a license, if
15 granted by the commission. The retail licensees, craft brewery licensees,
16 microdistillery licensees, farm winery licensees, holders of
17 manufacturer's licenses issued pursuant to subsection (2) of section
18 53-123.01, municipal corporations, organizations, and nonprofit
19 corporations enumerated in subsection (1) of this section seeking a
20 special designated license shall file an application on such forms as the
21 commission may prescribe. Such forms shall contain, along with other
22 information as required by the commission, (a) the name of the applicant,
23 (b) the premises for which a special designated license is requested,
24 identified by street and number if practicable and, if not, by some other
25 appropriate description which definitely locates the premises, (c) the
26 name of the owner or lessee of the premises for which the special
27 designated license is requested, (d) sufficient evidence that the holder
28 of the special designated license, if issued, will carry on the
29 activities and business authorized by the license for himself, herself,
30 or itself and not as the agent of any other person, group, organization,
31 or corporation, for profit or not for profit, (e) a statement of the type

1 of activity to be carried on during the time period for which a special
2 designated license is requested, and (f) sufficient evidence that the
3 activity will be supervised by persons or managers who are agents of and
4 directly responsible to the holder of the special designated license.

5 (4) No special designated license provided for by this section shall
6 be issued by the commission without the approval of the local governing
7 body. The local governing body may establish criteria for approving or
8 denying a special designated license. The local governing body may
9 designate an agent to determine whether a special designated license is
10 to be approved or denied. Such agent shall follow criteria established by
11 the local governing body in making his or her determination. The
12 determination of the agent shall be considered the determination of the
13 local governing body unless otherwise provided by the local governing
14 body. For purposes of this section, the local governing body shall be the
15 city or village within which the premises for which the special
16 designated license is requested are located or, if such premises are not
17 within the corporate limits of a city or village, then the local
18 governing body shall be the county within which the premises for which
19 the special designated license is requested are located.

20 (5) If the applicant meets the requirements of this section, a
21 special designated license shall be granted and issued by the commission
22 for use by the holder of the special designated license. All statutory
23 provisions and rules and regulations of the commission that apply to a
24 retail licensee shall apply to the holder of a special designated license
25 with the exception of such statutory provisions and rules and regulations
26 of the commission so designated by the commission and stated upon the
27 issued special designated license, except that the commission may not
28 designate exemption of sections 53-180 to 53-180.07. The decision of the
29 commission shall be final. If the applicant does not qualify for a
30 special designated license, the application shall be denied by the
31 commission.

1 (6) A special designated license issued by the commission shall be
2 mailed or delivered electronically to the city, village, or county clerk
3 who shall deliver such license to the licensee upon receipt of any fee or
4 tax imposed by such city, village, or county.

5 Sec. 4. Section 53-129, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 53-129 (1) Except as otherwise provided in subsection (3) of this
8 section, retail, bottle club, craft brewery, and microdistillery licenses
9 issued under the Nebraska Liquor Control Act apply only to that part of
10 the premises described in the application approved by the commission and
11 in the license issued on the application. For retail, and bottle club,
12 ~~and microdistillery~~ licenses, only one location shall be described in
13 each license. For craft brewery and microdistillery licenses, up to five
14 separate physical locations may be described in each license.

15 (2) After such license has been granted for the particular premises,
16 the commission, with the approval of the local governing body and upon
17 proper showing, may endorse upon the license permission to add to, delete
18 from, or abandon the premises described in such license and, if
19 applicable, to move from the premises to other premises approved by the
20 local governing body. In order to obtain such approval, the retail,
21 bottle club, craft brewery, or microdistillery licensee shall file with
22 the local governing body a request in writing and a statement under oath
23 which shows that the premises, as added to or deleted from or to which
24 such move is to be made, comply in all respects with the requirements of
25 the act. No such addition, deletion, or move shall be made by any such
26 licensee until the license has been endorsed to that effect in writing by
27 the local governing body and by the commission and the licensee furnishes
28 proof of payment of the renewal fee prescribed in subsection (4) of
29 section 53-131.

30 (3)(a) A retail, bottle club, craft brewery, or microdistillery
31 licensee may apply to the local governing body for a temporary expansion

1 of its licensed premises to an immediately adjacent area owned or leased
2 by the licensee or to an immediately adjacent street, parking lot, or
3 alley, not to exceed fifty days for calendar year 2020 and, for each
4 calendar year thereafter, not to exceed fifteen days per calendar year.
5 The temporary area shall otherwise comply with all requirements of the
6 Nebraska Liquor Control Act.

7 (b) The licensee shall file an application with the local governing
8 body which shall contain (i) the name of the applicant, (ii) the premises
9 for which a temporary expansion is requested, identified by street and
10 number if practicable and, if not, by some other appropriate description
11 which definitely locates the premises, (iii) the name of the owner or
12 lessee of the premises for which the temporary expansion is requested,
13 (iv) sufficient evidence that the licensee will carry on the activities
14 and business authorized by the license for himself, herself, or itself
15 and not as the agent of any other person, group, organization, or
16 corporation, for profit or not for profit, (v) a statement of the type of
17 activity to be carried on during the time period for which a temporary
18 expansion is requested, and (vi) sufficient evidence that the temporary
19 expansion will be supervised by persons or managers who are agents of and
20 directly responsible to the licensee.

21 (c) No temporary expansion provided for by this subsection shall be
22 granted without the approval of the local governing body. The local
23 governing body may establish criteria for approving or denying a
24 temporary expansion. The local governing body may designate an agent to
25 determine whether a temporary expansion is to be approved or denied. Such
26 agent shall follow criteria established by the local governing body in
27 making the determination. The determination of the agent shall be
28 considered the determination of the local governing body unless otherwise
29 provided by the local governing body.

30 (d) For purposes of this section, the local governing body shall be
31 that of the city or village within which the premises for which the

1 temporary expansion is requested are located or, if such premises are not
2 within the corporate limits of a city or village, then the local
3 governing body shall be that of the county within which the premises for
4 which the temporary expansion is requested are located.

5 (e) The decision of the local governing body shall be final. If the
6 applicant does not qualify for a temporary expansion, the temporary
7 expansion shall be denied by the local governing body.

8 (f) The city, village, or county clerk shall deliver confirmation of
9 the temporary expansion to the licensee upon receipt of any fee or tax
10 imposed by such city, village, or county.

11 Sec. 5. Section 53-169, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 53-169 (1) Except as provided in subsection (2) of this section, no
14 manufacturer or wholesaler shall directly or indirectly: (a) Pay for any
15 license to sell alcoholic liquor at retail or advance, furnish, lend, or
16 give money for payment of such license; (b) purchase or become the owner
17 of any note, mortgage, or other evidence of indebtedness of such licensee
18 or any form of security therefor; (c) be interested in the ownership,
19 conduct, or operation of the business of any licensee authorized to sell
20 alcoholic liquor at retail; or (d) be interested directly or indirectly
21 or as owner, part owner, lessee, or lessor thereof in any premises upon
22 which alcoholic liquor is sold at retail.

23 (2) This section does not apply to the holder of a farm winery
24 license. The holder of a craft brewery license shall have the privileges
25 and duties listed in section 53-123.14 and the holder of a manufacturer's
26 license shall have the privileges and duties listed in section 53-123.01
27 with respect to the manufacture, distribution, and retail sale of beer,
28 and except as provided in subsection (2) of section 53-123.14, the
29 Nebraska Liquor Control Act shall not be construed to permit the holder
30 of a craft brewery license or of a manufacturer's license issued pursuant
31 to section 53-123.01 to engage in the wholesale distribution of beer. The

1 holder of a microdistillery license shall have the privileges and duties
2 listed in section 53-123.16 with respect to the manufacture of alcoholic
3 liquor, and the Nebraska Liquor Control Act shall not be construed to
4 permit the holder of a microdistillery license to engage in the wholesale
5 distribution of alcoholic liquor.

6 Sec. 6. Section 53-171, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 53-171 No person licensed as a wholesaler of alcoholic liquor shall
9 be permitted to receive any retail license at the same time. No person
10 licensed as a manufacturer shall be permitted to receive any retail
11 license at the same time except as set forth in subsection (2) of section
12 53-123.01 with respect to the manufacture, distribution, and retail sale
13 of beer, and the Nebraska Liquor Control Act shall not be construed to
14 permit the holder of a manufacturer's license issued pursuant to such
15 subsection to engage in the wholesale distribution of alcoholic liquor.
16 No person licensed as a retailer of alcoholic liquor shall be permitted
17 to receive any manufacturer's or wholesale license at the same time. This
18 section shall not apply to the holder of a farm winery license. The
19 holder of a craft brewery license shall have the privileges and duties
20 listed in section 53-123.14 with respect to the manufacture,
21 distribution, and retail sale of beer, and except as provided in
22 subsection (2) of section 53-123.14, the Nebraska Liquor Control Act
23 shall not be construed to permit the holder of a craft brewery license to
24 engage in the wholesale distribution of beer. The holder of a
25 microdistillery license shall have the privileges and duties listed in
26 section 53-123.16 with respect to the manufacture of alcoholic liquor,
27 and the Nebraska Liquor Control Act shall not be construed to permit the
28 holder of a microdistillery license to engage in the wholesale
29 distribution of alcoholic liquor.

30 Sec. 7. Original sections 53-123.14, 53-123.16, 53-124.11, 53-129,
31 53-169, and 53-171, Reissue Revised Statutes of Nebraska, are repealed.