

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 403

Introduced by Vargas, 7.

Read first time January 12, 2023

Committee: General Affairs

1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend
2 section 53-123.14, Revised Statutes Cumulative Supplement, 2022; to
3 change provisions relating to a craft brewery license; and to repeal
4 the original section.

5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 53-123.14, Revised Statutes Cumulative
2 Supplement, 2022, is amended to read:

3 53-123.14 (1) Any person who operates a craft brewery shall obtain a
4 license pursuant to the Nebraska Liquor Control Act. A license to operate
5 a craft brewery shall permit the production of a maximum of twenty
6 thousand barrels of beer per year in the aggregate from all physical
7 locations comprising the licensed premises. A craft brewery may also sell
8 to beer wholesalers for sale and distribution to licensed retailers. A
9 craft brewery license issued pursuant to this section shall be the only
10 license required by the Nebraska Liquor Control Act for the manufacture
11 and retail sale of beer for consumption on or off the licensed premises,
12 except that the sale of any beer other than beer manufactured by the
13 craft brewery licensee, wine, or alcoholic liquor by the drink for
14 consumption on the licensed premises shall require the appropriate retail
15 license. Any license held by the operator of a craft brewery shall be
16 subject to the act. A holder of a craft brewery license may obtain an
17 annual catering license pursuant to section 53-124.12, a special
18 designated license pursuant to section 53-124.11, an entertainment
19 district license pursuant to section 53-123.17, or a promotional farmers
20 market special designated license pursuant to section 53-124.16. For
21 purposes of this section, licensed premises may include up to five
22 separate physical locations.

23 (2)(a) A holder of a craft brewery license may directly sell for
24 resale up to five thousand ~~two hundred fifty~~ barrels per calendar year of
25 beer produced at its licensed premises directly to retail licensees
26 located in the State of Nebraska which hold the appropriate retail
27 license if the holder of the craft brewery license:

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

1 (ii) Self-distributes its beer utilizing only a common carrier or
2 persons ~~exclusively and solely~~ employed by the craft brewery licensee in
3 vehicles ~~exclusively and solely~~ owned or leased by the craft brewery
4 licensee; and

5 (iii) Complies with all relevant statutes, rules, and regulations
6 that apply to Nebraska beer wholesalers regarding distribution of such
7 beer.

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

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

20 (4) The commission may adopt and promulgate rules and regulations
21 pertaining to distribution rights of craft brewery licensees.

22 Sec. 2. Original section 53-123.14, Revised Statutes Cumulative
23 Supplement, 2022, is repealed.