



**Hundredth Legislature - Second Session - 2008
Committee Statement
LB 689**

Hearing Date: February 12, 2007
Committee On: General Affairs

Introducer(s): (Karpisek)
Title: Provide for a limited winery license

Roll Call Vote – Final Committee Action:

- X Advanced to General File
 - Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

8	Yes	Senator(s) McDonald, Karpisek, Dierks, Dubas, Erdman, Friend, Janssen, Preister
	No	
	Present, not voting	
	Absent	

Proponents:
Sen. Karpisek
Michael Matthews
Monte Froehlich

Representing:
Introducer
3 Suns Custom Winery, LLC
U.S. Property

Opponents:
John Fischbach

Representing:
Five Star Vineyard

Neutral:
Hobert Rupe

Representing:
Nebraska Liquor Control Commission

Summary of purpose and/or changes:

LB 689 would create a “limited winery” license that would allow for a limited production of wine in a business that is focused on customers using a facility and its equipment and supplies to make their own wine. There is not a liquor license available in Nebraska that would accommodate this concept. The language of this bill was crafted after Nebraska’s statutes on retail and craft brewery licenses.

Details

Section 1 amends §53-101, which cites the Nebraska Liquor Control Act, by adding reference to the new sections.

Section 2 amends §53-103, which provides the Liquor Control Act's definitions, by adding a definition of "limited winery" as an enterprise in which the customer creates a wine using the grapes and facilities of the limited winery licensee, selects the grapes to be used, begins the fermentation process, leaves the product for fermentation and bottling, and returning to cork and label the finished product.

Section 3 amends §53-123, which lists the different types of liquor licenses, by adding reference to limited winery licenses.

Section 4 creates new language stating the rights and duties of a limited winery operator. Rights and duties include: obtaining a license that is subject to the act, producing on the premises a maximum of 30,000 gallons per year, selling to wholesalers for sale and distribution to retailers, obtaining the proper retail licenses for sale of any alcohol not manufactured by the licensee, obtaining an annual catering or special designated license, and allowing sampling in reasonable amounts.

Section 5 amends §53-124, relating to license fees, by adding a license fee of \$250 for the operation of a limited winery.

Section 6 amends §53-124.11, relating to special designated licenses, by adding reference to a limited winery license.

Section 7 amends §53-124.12, relating to annual catering licenses, by adding reference to a limited winery license.

Section 8 amends §53-129, relating to retail and craft brewery licenses and the premises to which they apply, by adding reference to a limited winery license.

Section 9 amends §53-131, relating to retail and craft brewery application procedures and fees, by adding the same duties to limited winery licenses.

Section 10 amends §53-132, relating to the conditions under which the Commission is to issue retail or craft brewery licenses, by making the same standards and conditions applicable to a limited winery license.

Section 11 amends §53-133, relating to license applicant hearings, by making the hearing procedures applicable to limited winery license applicants.

Section 12 amends §53-134, which states the rights and duties of local government relative to retail and craft brewery licenses, by adding reference to limited winery licenses.

Section 13 amends §53-134.03, which authorizes local government to regulate by ordinance retail and craft brewery licenses, by adding reference to limited winery licenses.

Section 14 amends §53-164.01, relating to alcoholic liquor taxes, by adding reporting duties that a limited winery licensee must follow.

Section 15 amends §53-169, relating to prohibited ownership acts of liquor manufacturers or wholesalers, by exempting limited winery licenses from the section and indicating that such licensee's duties are to be found elsewhere in the act. Further states that nothing in the act permits a limited winery licensee to engage in the wholesale distribution of wine.

Section 16 amends §53-171, which forbids a manufacturer or wholesaler licensee to obtain a retail license, and vice versa, by exempting a limited winery licensee from the section and indicating that such licensee's duties are to be found elsewhere in the act. Further states that nothing in the act permits a limited winery licensee to engage in the wholesale distribution of wine.

Section 17 amends §53-188, which states the prohibition of liquor licenses in a governmental subdivision that prohibits such sales, by adding reference to limited winery licenses.

Section 18 amends §53-1,115, relating to prosecution and enforcement hearing procedures, by adding reference to limited winery licenses.

Section 19 repeals the original sections.

Senator Vickie McDonald, Chairperson