

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
SECOND SESSION

## LEGISLATIVE BILL 1105

### FINAL READING

Introduced by Larson, 40; Coash, 27.

Read first time January 20, 2016

Committee: General Affairs

1 A BILL FOR AN ACT relating to beverage regulation; to amend sections  
2 53-103.09, 53-103.18, 53-103.20, 53-103.41, 53-123.01, 53-124.11,  
3 53-125, 53-129, 53-131.01, 53-132, 53-168.06, 53-169, 53-171,  
4 53-175, 53-178, 53-187, 53-194.03, and 53-1,100, Reissue Revised  
5 Statutes of Nebraska, sections 53-123.14, 53-123.17, and 53-124.12,  
6 Revised Statutes Cumulative Supplement, 2014, and sections  
7 53-103.44, 53-123.15, 53-124, 53-124.01, and 53-135, Revised  
8 Statutes Supplement, 2015; to create and provide powers and duties  
9 for the Nebraska Craft Brewery Board; to create the Nebraska Beer  
10 Industry Promotional Fund; to impose and provide for fees; to  
11 require reports; to redefine terms; to provide for and change  
12 licensure provisions for certain manufacturers and retailers; to  
13 change disposition of manufacturers' license fees as prescribed; to  
14 eliminate provisions regarding licensure in annexed areas; to change  
15 prohibitions related to selling and serving alcoholic liquor; to  
16 eliminate provisions relating to purchases by retailers as  
17 prescribed; to place restrictions on manufacturing and sales at  
18 wholesale; to change penalty provisions related to nonbeverage users  
19 and manufacturing spirits without a license; to eliminate the  
20 prohibition and penalty on the sale of carbonated soft drink or beer  
21 cans with removable, disposable tabs or grips as prescribed; to  
22 change provisions relating to limits on bringing alcoholic liquor

1       into the state for personal consumption; to change a requirement for  
2       eligibility to obtain a license; to harmonize provisions; to provide  
3       severability; to repeal the original sections; to outright repeal  
4       section 28-1479, Reissue Revised Statutes of Nebraska; and to  
5       declare an emergency.

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

1       Section 1. (1) The Nebraska Craft Brewery Board is created. All  
2       board members shall be (a) citizens of Nebraska, (b) at least twenty-one  
3       years of age, and (c) either engaged in or previously engaged in the  
4       manufacture or the wholesale or retail sale of beer in this state or  
5       engaged or previously engaged in the production in this state of  
6       agricultural products that are utilized in the brewing process. The board  
7       shall consist of seven members to be appointed by the Governor on a  
8       nonpartisan basis. At least two board members shall be selected by the  
9       Governor from a list of no fewer than ten candidates submitted by the  
10      Nebraska Craft Brewers Guild or its successor organization. In addition,  
11      at least two board members shall be selected by the Governor from a list  
12      of no fewer than ten candidates submitted by the Associated Beverage  
13      Distributors of Nebraska or its successor organization. The Director of  
14      Agriculture or his or her designee and the executive director of the  
15      Nebraska Tourism Commission or his or her designee shall be nonvoting, ex  
16      officio members of the board.

17       (2) Whenever a vacancy occurs on the board for any reason, the  
18       Governor shall appoint an individual to fill such vacancy pursuant to the  
19       qualifications set forth in subsection (1) of this section.

20       Sec. 2. (1) Within thirty days after the appointment of the initial  
21       members of the Nebraska Craft Brewery Board, such board shall conduct its  
22       first regular meeting. During that meeting, the board members shall elect  
23       from among themselves, by majority vote, a chairperson, vice-chairperson,  
24       secretary, and treasurer, all to serve for terms of one year from the  
25       date of election. Subsequent board meetings shall take place at least  
26       once every six months and at such times as called by the chairperson or  
27       by any three board members.

28       (2) Each member shall serve for a term of three years and may be  
29       reappointed.

30       (3) All voting members of the board shall be reimbursed for their  
31       actual and necessary expenses incurred while engaged in the performance

1   of official responsibilities as members of such board pursuant to  
2   sections 81-1174 to 81-1177.

3       (4) A member may be removed by the Governor for cause. The member  
4   shall first be given a written copy of the charges against him or her and  
5   also an opportunity to be heard publicly. If a member moves out of  
6   Nebraska, that shall be deemed sufficient cause for removal from office.

7       Sec. 3. The Nebraska Craft Brewery Board has the following powers  
8   and duties:

9           (1) Establish a public forum to provide any manufacturer of beer or  
10   producer of agricultural products used in the brewing process the  
11   opportunity, at least once annually, to discuss with the board its  
12   policies and procedures;

13           (2) Keep minutes of its meetings and other books and records which  
14   will clearly reflect all of the acts and transactions of the board and to  
15   make these records available for examination upon request by members of  
16   the public;

17           (3) Authorize and approve the expenditure of funds collected  
18   pursuant to section 4 of this act;

19           (4) Serve as an advisory panel to the Nebraska Liquor Control  
20   Commission in all matters pertaining to the beer industry; and

21           (5) Adopt and promulgate rules and regulations to carry out sections  
22   1 to 5 of this act.

23       Sec. 4. (1) The Nebraska Beer Industry Promotional Fund is created.  
24   The fund shall consist of money credited pursuant to this section, fees  
25   received from shipping licenses issued to beer manufacturers pursuant to  
26   subsection (2) of section 53-123.15, gifts, grants, bequests, and any  
27   money appropriated by the Legislature. For administrative purposes, the  
28   fund shall be located in the Department of Agriculture.

29       (2) Beginning July 1, 2016, in addition to the annual license fee  
30   imposed by section 53-124.01, each holder of a craft brewery license  
31   shall pay an annual fee in the amount of two hundred fifty dollars to the

1   Nebraska Liquor Control Commission or shall opt out of paying the  
2   additional fee on forms provided by the commission. Fees collected  
3   pursuant to this subsection shall be remitted to the State Treasurer for  
4   credit to the Nebraska Beer Industry Promotional Fund.

5                 (3) The Department of Agriculture, at the direction of and in  
6   cooperation with the Nebraska Craft Brewery Board, shall use the Nebraska  
7   Beer Industry Promotional Fund to develop and maintain programs for the  
8   research and advancement of the beer brewing process, the marketing and  
9   promotion of the beer industry in Nebraska, and the marketing and  
10   promotion of agricultural products and their byproducts grown and  
11   produced in Nebraska for use in the beer industry. Such expenditures may  
12   include, but are not limited to, all necessary funding for the employment  
13   of experts in the field of beer brewing and business development, as  
14   deemed necessary by the board, and programs to carry out the purposes of  
15   this subsection. None of the money credited to the Nebraska Beer Industry  
16   Promotional Fund may be used for lobbying purposes.

17                 (4) Money in the Nebraska Beer Industry Promotional Fund not  
18   expended during any fiscal year may be reappropriated for the ensuing  
19   biennium. Any money in the fund available for investment shall be  
20   invested by the state investment officer pursuant to the Nebraska Capital  
21   Expansion Act and the Nebraska State Funds Investment Act.

22                 Sec. 5. (1) The Nebraska Craft Brewery Board shall publish an  
23   annual report on or before January 1 of each year which shall set forth  
24   in detail the following:

25                     (a) The name and address of each board member and a copy of all  
26   rules and regulations adopted and promulgated by the board; and

27                     (b) A detailed explanation of all programs for which the board  
28   approved funding during the most recently completed fiscal year pursuant  
29   to section 4 of this act.

30                 (2) Each annual report shall be presented electronically to the  
31   Nebraska Liquor Control Commission within thirty days after its

1    publication and made available also to any person who requests a copy.  
2    Except for the annual copy required by this section to be provided to the  
3    commission, the board may charge a nominal fee to cover the costs of  
4    printing and postage for making available copies of its annual reports.

5       Sec. 6. Section 53-103.09, Reissue Revised Statutes of Nebraska, is  
6    amended to read:

7              53-103.09 (1) Club means a corporation (a) which is organized under  
8    the laws of this state, not for pecuniary profit, solely for the  
9    promotion of some common object other than the sale or consumption of  
10    alcoholic liquor, (b) which is kept, used, and maintained by its members  
11    through the payment of annual dues, and (c) which owns, hires, or leases  
12    a building or space in a building suitable and adequate for the  
13    reasonable and comfortable use and accommodation of its members and their  
14    guests, and (d) which has suitable and adequate kitchen and dining room  
15    space and equipment and a sufficient number of servants and employees for  
16    cooking, preparing, and serving food and meals for its members and their  
17    guests.

18              (2) The affairs and management of such club shall be conducted by a  
19    board of directors, executive committee, or similar body chosen by the  
20    members at their annual meeting, and no member, officer, agent, or  
21    employee of the club shall be paid or shall directly or indirectly  
22    receive, in the form of salary or other compensation, any profits from  
23    the distribution or sale of alcoholic liquor to the club or the members  
24    of the club or its guests introduced by members other than any salary  
25    fixed and voted at any annual meeting by the members or by the governing  
26    body of the club out of the general revenue of the club.

27       Sec. 7. Section 53-103.18, Reissue Revised Statutes of Nebraska, is  
28    amended to read:

29              53-103.18 Manager means a person appointed by a corporation or  
30    limited liability company to oversee the daily operation of the business  
31    licensed in Nebraska. A manager shall meet all the requirements of the

1 Nebraska Liquor Control Act as though he or she were the applicant,  
2 including residency and citizenship.

3 Sec. 8. Section 53-103.20, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 53-103.20 Manufacturer means every brewer, fermenter, distiller,  
6 rectifier, winemaker, blender, processor, bottler, restaurant, hotel, or  
7 person who fills or refills an original package and others engaged in  
8 brewing, fermenting, distilling, rectifying, or bottling alcoholic  
9 liquor, including a wholly owned affiliate or duly authorized agent for a  
10 manufacturer.

11 Sec. 9. Section 53-103.41, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 53-103.41 Wholesaler means a person importing or causing to be  
14 imported into the state or purchasing or causing to be purchased within  
15 the state alcoholic liquor for sale or resale to retailers licensed under  
16 the Nebraska Liquor Control Act, whether the business of the wholesaler  
17 is conducted under the terms of a franchise or any other form of an  
18 agreement with a manufacturer or manufacturers, or who has caused  
19 alcoholic liquor to be imported into the state or purchased in the state  
20 from a manufacturer or manufacturers and was licensed to conduct such a  
21 business by the commission on May 1, 1970, or has been so licensed since  
22 that date.

23 ~~Wholesaler does not include any retailer licensed to sell alcoholic~~  
24 ~~liquor for consumption off the premises who sells alcoholic liquor other~~  
25 ~~than beer or wine to another retailer pursuant to section 53-175, except~~  
26 ~~that any such retailer shall obtain the required federal wholesaler's~~  
27 ~~basic permit and federal wholesale liquor dealer's special tax stamp.~~  
28 Wholesaler includes a distributor, distributorship, and jobber.

29 Sec. 10. Section 53-103.44, Revised Statutes Supplement, 2015, is  
30 amended to read:

31 53-103.44 Hard cider means still wine (1)(a) (1)(a)(i) derived

1 primarily from apples or apple concentrate and water such that apple  
2 juice, or the equivalent amount of concentrate reconstituted to the  
3 original brix of the juice prior to concentration, represents more than  
4 fifty percent of the volume of the finished product ~~and (ii) containing~~  
5 ~~no other fruit product nor any artificial product which imparts a fruit~~  
6 ~~flavor other than apple or (b) (b)(i)~~ derived primarily from pears or  
7 pear concentrate and water such that pear juice, or the equivalent amount  
8 of concentrate reconstituted to the original brix of the juice prior to  
9 concentration, represents more than fifty percent of the volume of the  
10 finished product~~and (ii) containing no other fruit product nor any~~  
11 ~~artificial product which imparts a fruit flavor other than pear, (2)~~  
12 containing at least one-half of one percent and less than eight and one-  
13 half percent alcohol by volume, (3) having the taste, aroma, and  
14 characteristics generally attributed to hard cider, and (4) sold or  
15 offered for sale as hard cider.

16 Sec. 11. Section 53-123.01, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 53-123.01 (1) A manufacturer's license shall allow the manufacture,  
19 storage, and sale of alcoholic liquor to wholesale licensees in this  
20 state and to such persons outside the state as may be permitted by law,  
21 except that nothing in the Nebraska Liquor Control Act shall prohibit a  
22 manufacturer of beer from distributing tax-paid samples of beer at the  
23 premises of a licensed manufacturer for consumption on the premises. A  
manufacturer's license issued pursuant to this section shall be the only  
license required by the Nebraska Liquor Control Act for the manufacture  
and retail sale of beer manufactured on the licensed premises for  
consumption on the licensed premises.

28 (2)(a) A licensee who or which first obtains a craft brewery license  
pursuant to section 53-123.14, holds such license for not less than three  
years, and operates a brewpub or microbrewery on the licensed premises of  
such craft brewery license shall obtain a manufacturer's license when the

1 manufacture of beer on the licensed premises exceeds twenty thousand  
2 barrels per year. The manufacturer's license shall authorize the  
3 continued retail sale of beer for consumption on or off the premises but  
4 only to the extent the premises were previously licensed as a craft  
5 brewery. The sale of any beer other than beer manufactured by the  
6 licensee, wine, or alcoholic liquor for consumption on the licensed  
7 premises shall require the appropriate retail license. The holder of such  
8 manufacturer's license may continue to operate up to five retail  
9 locations which are in operation at the time such manufacturer's license  
10 is issued and shall divest itself from retail locations in excess of five  
11 locations. The licensee shall not begin operation at any new retail  
12 location even if the licensee's production is reduced below twenty  
13 thousand barrels per year.

14 (b) The holder of such manufacturer's license may obtain an annual  
15 catering license pursuant to section 53-124.12, a special designated  
16 license pursuant to section 53-124.11, or an entertainment district  
17 license pursuant to section 53-123.17.

18 Sec. 12. Section 53-123.14, Revised Statutes Cumulative Supplement,  
19 2014, is amended to read:

20 53-123.14 Any person who operates a craft brewery shall obtain a  
21 license pursuant to the Nebraska Liquor Control Act. A license to operate  
22 a craft brewery shall permit ~~the production of a brewpub or microbrewery~~  
~~to produce on the craft brewery premises a maximum of twenty thousand~~  
23 barrels of beer per year ~~in the aggregate from all physical locations~~  
~~comprising the licensed premises.~~ A craft brewery may also sell to beer  
26 wholesalers for sale and distribution to licensed retailers. A craft  
27 brewery license issued pursuant to this section shall be the only license  
28 required by the Nebraska Liquor Control Act for the manufacture and  
29 retail sale of beer for consumption on or off the licensed premises,  
30 except that the sale of any beer other than beer manufactured by the  
31 craft brewery licensee, wine, or alcoholic liquor by the drink for

1 consumption on the licensed craft brewery premises shall require the  
2 appropriate retail license. Any license held by the operator of a craft  
3 brewery shall be subject to the act. A holder of a craft brewery license  
4 may obtain an annual catering license pursuant to section 53-124.12, a  
5 special designated license pursuant to section 53-124.11, or an  
6 entertainment district license pursuant to section 53-123.17. For  
7 purposes of this section, licensed premises may include up to five  
8 separate physical locations.

9 Sec. 13. Section 53-123.15, Revised Statutes Supplement, 2015, is  
10 amended to read:

11 53-123.15 (1) No person shall order or receive alcoholic liquor in  
12 this state which has been shipped directly to him or her from outside  
13 this state by any person other than a holder of a shipping license issued  
14 by the commission, except that a licensed wholesaler may receive not more  
15 than three gallons of wine in any calendar year from any person who is  
16 not a holder of a shipping license.

17 (2) The commission may issue a shipping license to a manufacturer.  
18 Such license shall allow the licensee to ship alcoholic liquor only to a  
19 licensed wholesaler. A person who receives a license pursuant to this  
20 subsection shall pay the fee required in sections 53-124 and 53-124.01  
21 for a manufacturer's shipping license. Such fee shall be collected by the  
22 commission and be remitted to the State Treasurer. Fees remitted prior to  
23 July 1, 2016, shall be credited for credit to the General Fund. Fees  
24 remitted beginning on July 1, 2016, shall be credited to the Nebraska  
25 Beer Industry Promotional Fund.

26 (3) The commission may issue a shipping license to any person who  
27 deals with vintage wines, which shipping license shall allow the licensee  
28 to distribute such wines to a licensed wholesaler in the state. For  
29 purposes of distributing vintage wines, a licensed shipper must utilize a  
30 designated wholesaler if the manufacturer has a designated wholesaler.  
31 For purposes of this section, vintage wine shall mean a wine verified to

1    be ten years of age or older and not available from a primary American  
2    source of supply. A person who receives a license pursuant to this  
3    subsection shall pay the fee required in sections 53-124 and 53-124.01  
4    for a vintage wine dealer's shipping license. Such fee shall be collected  
5    by the commission and be remitted to the State Treasurer for credit to  
6    the General Fund.

7                 (4) The commission may issue a shipping license to any manufacturer  
8    who sells and ships alcoholic liquor from another state directly to a  
9    consumer in this state if the manufacturer satisfies the requirements of  
10   subsections (7) through (9) of this section. A manufacturer who receives  
11   a license pursuant to this subsection shall pay the fee required in  
12   sections 53-124 and 53-124.01 for a manufacture direct sales shipping  
13   license. Such fee shall be collected by the commission and remitted to  
14   the State Treasurer for credit to the Winery and Grape Producers  
15   Promotional Fund.

16                 (5) The commission may issue a shipping license to any retailer who  
17   is licensed within or outside Nebraska, who is authorized to sell  
18   alcoholic liquor at retail in the state of domicile of the retailer, and  
19   who is not a manufacturer if such retailer satisfies the requirements of  
20   subsections (7) through (9) of this section to ship alcoholic liquor from  
21   another state directly to a consumer in this state. A retailer who  
22   receives a license pursuant to this subsection shall pay the fee required  
23   in sections 53-124 and 53-124.01 for a retail direct sales shipping  
24   license. Such fee shall be collected by the commission and remitted to  
25   the State Treasurer for credit to the Winery and Grape Producers  
26   Promotional Fund.

27                 (6) The application for a shipping license under subsection (2) or  
28   (3) of this section shall be in such form as the commission prescribes.  
29   The application shall contain all provisions the commission deems proper  
30   and necessary to effectuate the purpose of any section of the act and the  
31   rules and regulations of the commission that apply to manufacturers and

1 shall include, but not be limited to, provisions that the applicant, in  
2 consideration of the issuance of such shipping license, agrees:

3 (a) To comply with and be bound by sections 53-162 and 53-164.01 in  
4 making and filing reports, paying taxes, penalties, and interest, and  
5 keeping records;

6 (b) To permit and be subject to all of the powers granted by section  
7 53-164.01 to the commission or its duly authorized employees or agents  
8 for inspection and examination of the applicant's premises and records  
9 and to pay the actual expenses, excluding salary, reasonably attributable  
10 to such inspections and examinations made by duly authorized employees of  
11 the commission if within the United States; and

12 (c) That if the applicant violates any of the provisions of the  
13 application or the license, any section of the act, or any of the rules  
14 and regulations of the commission that apply to manufacturers, the  
15 commission may suspend, cancel, or revoke such shipping license for such  
16 period of time as it may determine.

17 (7) The application for a shipping license under subsection (4) or  
18 (5) of this section shall be in such form as the commission prescribes.  
19 The application shall require an applicant which is a manufacturer, a  
20 craft brewery, a craft distillery, or a farm winery to identify the  
21 brands of alcoholic liquor that the applicant is requesting the authority  
22 to ship either into or within Nebraska. For all applicants, unless  
23 otherwise provided in this section, the application shall contain all  
24 provisions the commission deems proper and necessary to effectuate the  
25 purpose of any section of the act and the rules and regulations of the  
26 commission that apply to manufacturers or retailers and shall include,  
27 but not be limited to, provisions that the applicant, in consideration of  
28 the issuance of such shipping license, agrees:

29 (a) To comply with and be bound by sections 53-162 and 53-164.01 in  
30 making and filing reports, paying taxes, penalties, and interest, and  
31 keeping records;

1               (b) To permit and be subject to all of the powers granted by section  
2       53-164.01 to the commission or its duly authorized employees or agents  
3       for inspection and examination of the applicant's premises and records  
4       and to pay the actual expenses, excluding salary, reasonably attributable  
5       to such inspections and examinations made by duly authorized employees of  
6       the commission if within the United States;

7               (c) That if the applicant violates any of the provisions of the  
8       application or the license, any section of the act, or any of the rules  
9       and regulations of the commission that apply to manufacturers or  
10      retailers, the commission may suspend, cancel, or revoke such shipping  
11      license for such period of time as it may determine;

12               (d) That the applicant agrees to notify the commission of any  
13      violations in the state in which he or she is domiciled and any  
14      violations of the direct shipping laws of any other states. Failure to  
15      notify the commission within thirty days after such a violation may  
16      result in a hearing before the commission pursuant to which the license  
17      may be suspended, canceled, or revoked; and

18               (e) That the applicant, if a manufacturer, craft brewery, craft  
19      distillery, or farm winery, agrees to notify any wholesaler licensed in  
20      Nebraska that has been authorized to distribute such brands that the  
21      application has been filed for a shipping license. The notice shall be in  
22      writing and in a form prescribed by the commission. The commission may  
23      adopt and promulgate rules and regulations as it reasonably deems  
24      necessary to implement this subdivision, including rules and regulations  
25      that permit the holder of a shipping license under this subdivision to  
26      amend the shipping license by, among other things, adding or deleting any  
27      brands of alcoholic liquor identified in the shipping license.

28               (8) Any manufacturer or retailer who is granted a shipping license  
29      under subsection (4) or (5) of this section shall:

30               (a) Only ship the brands of alcoholic liquor identified on the  
31      application;

1           (b) Only ship alcoholic liquor that is owned by the holder of the  
2 shipping license;

3           (c) Only ship alcoholic liquor that is properly registered with the  
4 Alcohol and Tobacco Tax and Trade Bureau of the United States Department  
5 of the Treasury;

6           (d) Not ship any alcoholic liquor products that the manufacturers or  
7 wholesalers licensed in Nebraska have voluntarily agreed not to bring  
8 into Nebraska at the request of the commission;

9           (e) Not ship more than nine liters of alcoholic liquor per month to  
10 any person in Nebraska to whom alcoholic beverages may be lawfully sold.  
11 All such sales and shipments shall be for personal consumption only and  
12 not for resale; and

13           (f) Cause the direct shipment of alcoholic liquor to be by approved  
14 common carrier only. The commission shall adopt and promulgate rules and  
15 regulations pursuant to which common carriers may apply for approval to  
16 provide common carriage of alcoholic liquor shipped by a holder of a  
17 shipping license issued pursuant to subsection (4) or (5) of this  
18 section. The rules and regulations shall include provisions that require  
19 (i) the recipient to demonstrate, upon delivery, that he or she is at  
20 least twenty-one years of age, (ii) the recipient to sign an electronic  
21 or paper form or other acknowledgement of receipt as approved by the  
22 commission, and (iii) the commission-approved common carrier to submit to  
23 the commission such information as the commission may prescribe. The  
24 commission-approved common carrier shall refuse delivery when the  
25 proposed recipient appears to be under the age of twenty-one years and  
26 refuses to present valid identification. All holders of shipping licenses  
27 shipping alcoholic liquor pursuant to this subdivision shall affix a  
28 conspicuous notice in sixteen-point type or larger to the outside of each  
29 package of alcoholic liquor shipped within or into the State of Nebraska,  
30 in a conspicuous location, stating: CONTAINS ALCOHOLIC BEVERAGES;  
31 SIGNATURE OF PERSON AT LEAST 21 YEARS OF AGE REQUIRED FOR DELIVERY. Any

1 delivery of alcoholic beverages to a minor by a common carrier shall  
2 constitute a violation by the common carrier. The common carrier and the  
3 holder of the shipping license shall be liable only for their independent  
4 acts.

5 (9) For purposes of sections 53-160, 77-2703, and 77-27,142, each  
6 shipment of alcoholic liquor by the holder of a shipping license under  
7 subsection (3), (4), or (5) of this section shall constitute a sale in  
8 Nebraska by establishing a nexus in the state. The holder of the shipping  
9 license shall collect all the taxes due to the State of Nebraska and any  
10 political subdivision and remit any excise taxes monthly to the  
11 commission and any sales taxes to the Department of Revenue.

12 (10) By July 1, 2014, the commission shall report to the General  
13 Affairs Committee of the Legislature the number of shipping licenses  
14 issued for license years 2013-14 and 2014-15. The report shall be made  
15 electronically.

16 Sec. 14. Section 53-123.17, Revised Statutes Cumulative Supplement,  
17 2014, is amended to read:

18 53-123.17 (1) A local governing body may designate an entertainment  
19 district in which a commons area may be used by retail, craft brewery,  
20 and microdistillery licensees and holders of a manufacturer's license  
21 which obtain an entertainment district license. The local governing body  
22 may, at any time, revoke such designation if it finds that the commons  
23 area threatens the health, safety, or welfare of the public or has become  
24 a common nuisance. The local governing body shall file the designation or  
25 the revocation of the designation with the commission.

26 (2) An entertainment district license allows the sale of alcoholic  
27 liquor for consumption on the premises within the confines of a commons  
28 area. The consumption of alcoholic liquor in the commons area shall only  
29 occur during the hours authorized for sale of alcoholic liquor for  
30 consumption on the premises under section 53-179 and while food service  
31 is available in the commons area. Only the holder of an entertainment

1 district license or employees of such licensee may sell or dispense  
2 alcoholic liquor in the commons area.

3 (3) An entertainment district licensee shall serve alcoholic liquor  
4 to be consumed in the commons area in containers that prominently  
5 displays the licensee's trade name or logo or some other mark that is  
6 unique to the licensee under the licensee's retail license, craft brewery  
7 license, or microdistillery license, or manufacturer's license. An  
8 entertainment district licensee may allow alcohol sold by another  
9 entertainment district licensee to enter the licensed premises of either  
10 licensee. No entertainment district licensee shall allow alcoholic liquor  
11 to leave the commons area or the premises licensed under its retail  
12 license, craft brewery license, or microdistillery license, or  
manufacturer's license.

14 (4) If the licensed premises of the holder of a license to sell  
15 alcoholic liquor at retail issued under subsection (6) of section 53-124,  
16 a craft brewery license, or a microdistillery license, or a  
manufacturer's license is adjacent to a commons area in an entertainment  
18 district designated by a local governing body pursuant to this section,  
19 the holder of the license may obtain an annual entertainment district license  
20 as prescribed in this section. The entertainment district license  
21 shall be issued for the same period and may be renewed in the same manner  
22 as the retail license, craft brewery license, or microdistillery license,  
or manufacturer's license.

24 (5) In order to obtain an entertainment district license, a person  
25 eligible under subsection (4) of this section shall:

26 (a) File an application with the commission upon such forms as the  
27 commission prescribes; and

28 (b) Pay an additional license fee of three hundred dollars for the  
29 privilege of serving alcohol in the entertainment district payable to the  
30 clerk of the local governing body in the same manner as license fees  
31 under subdivision (4) of section 53-134.

1       (6) When an application for an entertainment district license is  
2 filed, the commission shall notify the clerk of the local governing body.  
3 The commission shall include with such notice one copy of the application  
4 by mail or electronic delivery. The local governing body and the  
5 commission shall process the application in the same manner as provided  
6 in section 53-132.

7       (7) The local governing body may impose an occupation tax on the  
8 business of an entertainment district licensee doing business within the  
9 liquor license jurisdiction of the local governing body as provided in  
10 subdivision (11)(b) of this section in accordance with section 53-132.

11       (8) The local governing body with respect to entertainment district  
12 licensees within its liquor license jurisdiction as provided in  
13 subdivision (11)(b) of this section may cancel an entertainment district  
14 license for cause for the remainder of the period for which such  
15 entertainment district license is issued. Any person whose entertainment  
16 district license is canceled may appeal to the commission in accordance  
17 with section 53-134.

18       (9) A local governing body may regulate by ordinance, not  
19 inconsistent with the Nebraska Liquor Control Act, any area it designates  
20 as an entertainment district.

21       (10) Violation of any provision of this section or any rules or  
22 regulations adopted and promulgated pursuant to this section by an  
23 entertainment district licensee may be cause to revoke, cancel, or  
24 suspend the retail license issued under subsection (6) of section 53-124,  
25 craft brewery license, ~~or microdistillery license, or manufacturer's~~  
26 license held by such licensee.

27       (11) For purposes of this section:

28           (a) Commons area means an area:

29              (i) Within an entertainment district designated by a local governing  
30 body;

31              (ii) Shared by authorized licensees with entertainment district

1    licenses;

2                (iii) Abutting the licensed premises of such licensees;

3                (iv) Having limited pedestrian accessibility by use of a physical  
4    barrier, either on a permanent or temporary basis; and

5                (v) Closed to vehicular traffic when used as a commons area.

6                Commons area may include any area of a public or private right-of-  
7    way if the area otherwise meets the requirements of this section; and

8                (b) Local governing body means the governing body of the city or  
9    village in which the entertainment district licensee is located.

10              Sec. 15. Section 53-124, Revised Statutes Supplement, 2015, is  
11   amended to read:

12              53-124 (1) At the time application is made to the commission for a  
13   license of any type, the applicant shall pay the fee provided in section  
14   53-124.01 and, if the applicant is an individual, provide the applicant's  
15   social security number. The commission shall issue the types of licenses  
16   described in this section.

17              (2) There shall be an airline license, a boat license, a pedal-pub  
18   vehicle license, and a railroad license. The commission shall charge one  
19   dollar for each duplicate of an airline license, a pedal-pub vehicle  
20   license, or a railroad license.

21              (3)(a) There shall be a manufacturer's license for alcohol and  
22   spirits, for beer, and for wine. The annual fee for a manufacturer's  
23   license for beer shall be based on the barrel daily capacity as follows:

24                (i) 1 to 100 barrel daily capacity, or any part thereof, tier one;

25                (ii) 100 to 150 barrel daily capacity, tier two;

26                (iii) 150 to 200 barrel daily capacity, tier three;

27                (iv) 200 to 300 barrel daily capacity, tier four;

28                (v) 300 to 400 barrel daily capacity, tier five;

29                (vi) 400 to 500 barrel daily capacity, tier six;

30                (vii) 500 barrel daily capacity, or more, tier seven.

31                (b) For purposes of this subsection, daily capacity means the

1 average daily barrel production for the previous twelve months of  
2 manufacturing operation. If no such basis for comparison exists, the  
3 manufacturing licensee shall pay in advance for the first year's  
4 operation a fee of five hundred dollars.

5 (4) There shall be five classes of nonbeverage users' licenses:  
6 Class 1, Class 2, Class 3, Class 4, and Class 5.

7 (5) In lieu of a manufacturer's, a retailer's, or a wholesaler's  
8 license, there shall be a license to operate issued for a craft brewery,  
9 a farm winery, or a microdistillery.

10 (6)(a) There shall be six ~~five~~ classes of retail licenses:

11 (i) Class A: Beer only, for consumption on the premises;

12 (ii) Class B: Beer only, for consumption off the premises, sales in  
13 the original packages only;

14 (iii) Class C: Alcoholic liquor, for consumption on the premises and  
15 off the premises, sales in original packages only. If a Class C license  
16 is held by a nonprofit corporation, it shall be restricted to consumption  
17 on the premises only. A Class C license may have a sampling designation  
18 restricting consumption on the premises to sampling, but such designation  
19 shall not affect sales for consumption off the premises under such  
20 license;

21 (iv) Class D: Alcoholic liquor, including beer, for consumption off  
22 the premises, sales in the original packages only, except as provided in  
23 subdivision (6)(a)(vi) of this section and subsection (2) of section  
24 53-123.04; and

25 (v) Class I: Alcoholic liquor, for consumption on the premises;  
26 and –

27 (vi) Class J: Alcoholic liquor, including beer, for consumption off  
28 the premises, sales in the original packages only, for a retail licensee  
29 whose annual gross revenue from the sale of alcohol does not exceed  
30 twenty percent of the licensee's total annual gross revenue from all  
31 retail sales.

1           (b) All applicable license fees shall be paid by the applicant or  
2 licensee directly to the city or village treasurer in the case of  
3 premises located inside the corporate limits of a city or village and  
4 directly to the county treasurer in the case of premises located outside  
5 the corporate limits of a city or village.

6           (7) There shall be four types of shipping licenses as described in  
7 section 53-123.15: Manufacturers, vintage wines, manufacture direct  
8 sales, and retail direct sales.

9           (8) There shall be two types of wholesale licenses: Alcoholic liquor  
10 and beer only. The annual fee shall be paid for the first and each  
11 additional wholesale place of business operated in this state by the same  
12 licensee and wholesaling the same product.

13          (9) The license year, unless otherwise provided in the Nebraska  
14 Liquor Control Act, shall commence on May 1 of each year and shall end on  
15 the following April 30, except that the license year for a Class C  
16 license shall commence on November 1 of each year and shall end on the  
17 following October 31. During the license year, no license shall be issued  
18 for a sum less than the amount of the annual license fee as fixed in  
19 section 53-124.01, regardless of the time when the application for such  
20 license has been made, except that (a) when there is a purchase of an  
21 existing licensed business and a new license of the same class is issued  
22 or (b) upon the issuance of a new license for a location which has not  
23 been previously licensed, the license fee and occupation taxes shall be  
24 prorated on a quarterly basis as of the date of issuance.

25          Sec. 16. Section 53-124.01, Revised Statutes Supplement, 2015, is  
26 amended to read:

27           53-124.01 (1) The fees for annual licenses finally issued by the  
28 commission shall be as provided in this section and section 53-124.

29           (2) Airline license ... \$100

30           (3) Boat license ... \$50

31           (4) Manufacturer's license:

	Fee - In Dollars
1 Class	
2 Alcohol and spirits	1,000
3 Beer - tier one	100
4 Beer - tier two	200
5 Beer - tier three	350
6 Beer - tier four	500
7 Beer - tier five	650
8 Beer - tier six	700
9 Beer - tier seven	800
10 Wine	250

11 (5) Nonbeverage user's license:

	Fee - In Dollars
12 Class	
13 Class 1	5
14 Class 2	25
15 Class 3	50
16 Class 4	100
17 Class 5	250

18 (6) Operator's license:

	Fee - In Dollars
19 Class	
20 Craft brewery	250
21 Farm winery	250
22 Microdistillery	250

23 (7) Pedal-pub vehicle license ... \$50

24 (8) Railroad license ... \$100

25 (9) Retail license:

	Fee - In Dollars
26 Class	
27 Class A	100
28 Class B	100
29 Class C	300
30 Class D	200

1 Class I 250

2 Class J 50

3 (10) Shipping license:

4 Class Fee - In Dollars

5 Manufacturer 1,000

6 Vintage wines 1,000

7 Manufacture direct sales 500

8 Retail direct sales 500

9 (11) Wholesale license:

10 Class Fee - In Dollars

11 Alcoholic liquor 750

12 Beer 500

13 Sec. 17. Section 53-124.11, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 53-124.11 (1) The commission may issue a special designated license  
16 for sale or consumption of alcoholic liquor at a designated location to a  
17 retail licensee, a craft brewery licensee, a microdistillery licensee, a  
18 farm winery licensee, the holder of a manufacturer's license issued  
19 pursuant to subsection (2) of section 53-123.01, a municipal corporation,  
20 a fine arts museum incorporated as a nonprofit corporation, a religious  
21 nonprofit corporation which has been exempted from the payment of federal  
22 income taxes, a political organization which has been exempted from the  
23 payment of federal income taxes, or any other nonprofit corporation the  
24 purpose of which is fraternal, charitable, or public service and which  
25 has been exempted from the payment of federal income taxes, under  
26 conditions specified in this section. The applicant shall demonstrate  
27 meeting the requirements of this subsection.

28 (2) No retail licensee, craft brewery licensee, microdistillery  
29 licensee, farm winery licensee, holder of a manufacturer's license issued  
30 pursuant to subsection (2) of section 53-123.01, organization, or  
31 corporation enumerated in subsection (1) of this section may be issued a

1 special designated license under this section for more than six calendar  
2 days in any one calendar year. Only one special designated license shall  
3 be required for any application for two or more consecutive days. This  
4 subsection shall not apply to any holder of a catering license.

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

1 the time period for which a special designated license is requested, and  
2 (f) sufficient evidence that the activity will be supervised by persons  
3 or managers who are agents of and directly responsible to the holder of  
4 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 to the city, village, or county clerk who shall  
3 deliver such license to the licensee upon receipt of any fee or tax  
4 imposed by such city, village, or county.

5           Sec. 18. Section 53-124.12, Revised Statutes Cumulative Supplement,  
6 2014, is amended to read:

7           53-124.12 (1) The holder of a license to sell alcoholic liquor at  
8 retail issued under subsection (6) of section 53-124, a craft brewery  
9 license, a microdistillery license, or a farm winery license, or a  
10 manufacturer's license issued under subsection (2) of section 53-123.01  
11 may obtain an annual catering license as prescribed in this section. The  
12 catering license shall be issued for the same period and may be renewed  
13 in the same manner as the retail license, craft brewery license,  
14 microdistillery license, or farm winery license, or manufacturer's  
15 license.

16           (2) Any person desiring to obtain a catering license shall file with  
17 the commission:

18           (a) An application in triplicate original upon such forms as the  
19 commission prescribes; and

20           (b) A license fee of one hundred dollars payable to the commission,  
21 which fee shall be returned to the applicant if the application is  
22 denied.

23           (3) When an application for a catering license is filed, the  
24 commission shall notify the clerk of the city or incorporated village in  
25 which such applicant is located or, if the applicant is not located  
26 within a city or incorporated village, the county clerk of the county in  
27 which such applicant is located, of the receipt of the application. The  
28 commission shall include with such notice one copy of the application by  
29 mail or electronic delivery. The local governing body and the commission  
30 shall process the application in the same manner as provided in section  
31 53-132.

1           (4) The local governing body with respect to catering licensees  
2 within its liquor license jurisdiction as provided in subsection (5) of  
3 this section may cancel a catering license for cause for the remainder of  
4 the period for which such catering license is issued. Any person whose  
5 catering license is canceled may appeal to the district court of the  
6 county in which the local governing body is located.

7           (5) For purposes of this section, local governing body means (a) the  
8 governing body of the city or village in which the catering licensee is  
9 located or (b) if such licensee is not located within a city or village,  
10 the governing body of the county in which such licensee is located.

11          (6) The local governing body may impose an occupation tax on the  
12 business of a catering licensee doing business within the liquor license  
13 jurisdiction of the local governing body as provided in subsection (5) of  
14 this section. Such tax may not exceed double the license fee to be paid  
15 under this section.

16          Sec. 19. Section 53-125, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18          53-125 No license of any kind shall be issued to (1) a person who is  
19 not a resident of Nebraska, except in case of railroad, airline, or boat  
20 licenses, (2) a person who is not of good character and reputation in the  
21 community in which he or she resides, (3) a person who is not a Nebraska  
22 resident and legally able to work in Nebraska ~~citizen of the United~~  
23 States, (4) a person who has been convicted of or has pleaded guilty to a  
24 felony under the laws of this state, any other state, or the United  
25 States, (5) a person who has been convicted of or has pleaded guilty to  
26 any Class I misdemeanor pursuant to Chapter 28, article 3, 4, 7, 8, 10,  
27 11, or 12, or any similar offense under a prior criminal statute or in  
28 another state, except that any additional requirements imposed by this  
29 subdivision on May 18, 1983, shall not prevent any person holding a  
30 license on such date from retaining or renewing such license if the  
31 conviction or plea occurred prior to May 18, 1983, (6) a person whose

1 license issued under the Nebraska Liquor Control Act has been revoked for  
2 cause, (7) a person who at the time of application for renewal of any  
3 license issued under the act would not be eligible for such license upon  
4 initial application, (8) a partnership, unless one of the partners is a  
5 resident of Nebraska and unless all the members of such partnership are  
6 otherwise qualified to obtain a license, (9) a limited liability company,  
7 if any officer or director of the limited liability company or any member  
8 having an ownership interest in the aggregate of more than twenty-five  
9 percent of such company would be ineligible to receive a license under  
10 this section for any reason other than the reasons stated in subdivisions  
11 (1) and (3) of this section, or if a manager of a limited liability  
12 company licensee would be ineligible to receive a license under this  
13 section for any reason, (10) a corporation, if any officer or director of  
14 the corporation or any stockholder owning in the aggregate more than  
15 twenty-five percent of the stock of such corporation would be ineligible  
16 to receive a license under this section for any reason other than the  
17 reasons stated in subdivisions (1) and (3) of this section, or if a  
18 manager of a corporate licensee would be ineligible to receive a license  
19 under this section for any reason. This subdivision shall not apply to  
20 railroad licenses, (11) a person whose place of business is conducted by  
21 a manager or agent unless such manager or agent possesses the same  
22 qualifications required of the licensee, (12) a person who does not own  
23 the premises for which a license is sought or does not have a lease or  
24 combination of leases on such premises for the full period for which the  
25 license is to be issued, (13) except as provided in this subdivision, an  
26 applicant whose spouse is ineligible under this section to receive and  
27 hold a liquor license. Such applicant shall become eligible for a liquor  
28 license only if the commission finds from the evidence that the public  
29 interest will not be infringed upon if such license is granted. It shall  
30 be prima facie evidence that when a spouse is ineligible to receive a  
31 liquor license the applicant is also ineligible to receive a liquor

1 license. Such prima facie evidence shall be overcome if it is shown to  
2 the satisfaction of the commission (a) that the licensed business will be  
3 the sole property of the applicant and (b) that such licensed premises  
4 will be properly operated, (14) a person seeking a license for premises  
5 which do not meet standards for fire safety as established by the State  
6 Fire Marshal, (15) a law enforcement officer, except that this  
7 subdivision shall not prohibit a law enforcement officer from holding  
8 membership in any nonprofit organization holding a liquor license or from  
9 participating in any manner in the management or administration of a  
10 nonprofit organization, or (16) a person less than twenty-one years of  
11 age.

12 When a trustee is the licensee, the beneficiary or beneficiaries of  
13 the trust shall comply with the requirements of this section, but nothing  
14 in this section shall prohibit any such beneficiary from being a minor or  
15 a person who is mentally incompetent.

16 Sec. 20. Section 53-129, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 53-129 Retail, craft brewery, and microdistillery licenses issued  
19 under the Nebraska Liquor Control Act apply only to that part of the  
20 premises described in the application approved by the commission and in  
21 the license issued on the application. For retail and microdistillery  
licenses, and only one location shall be described in each license. For  
craft brewery licenses, up to five separate physical locations may be  
22 described in each license. After such license has been granted for  
23 particular premises, the commission, with the approval of the local  
24 governing body and upon proper showing, may endorse upon the license  
25 permission to add to, delete from, or abandon the premises described in  
26 such license and, if applicable, to move from the premises to other  
27 premises approved by it, but in order to obtain such approval the retail,  
28 craft brewery, or microdistillery licensee shall file with the local  
29 governing body a request in writing and a statement under oath which  
30  
31

1 shows that the premises as added to or deleted from or to which such move  
2 is to be made comply in all respects with the requirements of the act. No  
3 such addition, deletion, or move shall be made by any such licensee until  
4 the license has been endorsed to that effect in writing by the local  
5 governing body and by the commission and the licensee furnishes proof of  
6 payment of the renewal fee prescribed in subsection (4) of section  
7 53-131.

8 Sec. 21. Section 53-131.01, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 53-131.01 (1) The application for a new license shall be submitted  
11 upon such forms as the commission may prescribe. Such forms shall contain  
12 (a) the name and residence of the applicant and how long he or she has  
13 resided within the State of Nebraska, (b) the particular premises for  
14 which a license is desired designating the same by street and number if  
15 practicable or, if not, by such other description as definitely locates  
16 the premises, (c) the name of the owner of the premises upon which the  
17 business licensed is to be carried on, (d) a statement that the applicant  
18 is a resident of Nebraska and legally able to work in Nebraska citizen of  
19 ~~the United States~~, that the applicant and the spouse of the applicant are  
20 not less than twenty-one years of age, and that such applicant has never  
21 been convicted of or pleaded guilty to a felony or been adjudged guilty  
22 of violating the laws governing the sale of alcoholic liquor or the law  
23 for the prevention of gambling in the State of Nebraska, except that a  
24 manager for a corporation applying for a license shall qualify with all  
25 provisions of this subdivision as though the manager were the applicant,  
26 except that the provisions of this subdivision shall not apply to the  
27 spouse of a manager-applicant, (e) a statement that the applicant intends  
28 to carry on the business authorized by the license for himself or herself  
29 and not as the agent of any other persons and that if licensed he or she  
30 will carry on such business for himself or herself and not as the agent  
31 for any other person, (f) a statement that the applicant intends to

1      superintend in person the management of the business licensed and that if  
2      so licensed he or she will superintend in person the management of the  
3      business, and (g) such other information as the commission may from time  
4      to time direct. The applicant shall also submit two legible sets of  
5      fingerprints to be furnished to the Federal Bureau of Investigation  
6      through the Nebraska State Patrol for a national criminal history record  
7      check and the fee for such record check payable to the patrol.

8                (2) The application shall be verified by the affidavit of the  
9      petitioner made before a notary public or other person duly authorized by  
10     law to administer oaths. If any false statement is made in any part of  
11     such application, the applicant or applicants shall be deemed guilty of  
12     perjury, and upon conviction thereof the license shall be revoked and the  
13     applicant subjected to the penalties provided by law for that crime.

14               Sec. 22. Section 53-132, Reissue Revised Statutes of Nebraska, is  
15     amended to read:

16               53-132 (1) If no hearing is required pursuant to subdivision (1)(a)  
17     or (b) of section 53-133 and the commission has no objections pursuant to  
18     subdivision (1)(c) of such section, the commission may waive the forty-  
19     five-day objection period and, if not otherwise prohibited by law, cause  
20     a retail license, craft brewery license, or microdistillery license to be  
21     signed by its chairperson, attested by its executive director over the  
22     seal of the commission, and issued in the manner provided in subsection  
23     (4) of this section as a matter of course.

24               (2) A retail license, craft brewery license, or microdistillery  
25     license may be issued to any qualified applicant if the commission finds  
26     that (a) the applicant is fit, willing, and able to properly provide the  
27     service proposed within the city, village, or county where the premises  
28     described in the application are located, (b) the applicant can conform  
29     to all provisions and requirements of and rules and regulations adopted  
30     pursuant to the Nebraska Liquor Control Act, (c) the applicant has  
31     demonstrated that the type of management and control to be exercised over

1      the premises described in the application will be sufficient to insure  
2      that the licensed business can conform to all provisions and requirements  
3      of and rules and regulations adopted pursuant to the act, and (d) the  
4      issuance of the license is or will be required by the present or future  
5      public convenience and necessity.

6                (3) In making its determination pursuant to subsection (2) of this  
7      section the commission shall consider:

8                (a) The recommendation of the local governing body;

9                (b) The existence of a citizens' protest made in accordance with  
10     section 53-133;

11                (c) The existing population of the city, village, or county and its  
12     projected growth;

13                (d) The nature of the neighborhood or community of the location of  
14     the proposed licensed premises;

15                (e) The existence or absence of other retail licenses, craft brewery  
16     licenses, or microdistillery licenses with similar privileges within the  
17     neighborhood or community of the location of the proposed licensed  
18     premises and whether, as evidenced by substantive, corroborative  
19     documentation, the issuance of such license would result in or add to an  
20     undue concentration of licenses with similar privileges and, as a result,  
21     require the use of additional law enforcement resources;

22                (f) The existing motor vehicle and pedestrian traffic flow in the  
23     vicinity of the proposed licensed premises;

24                (g) The adequacy of existing law enforcement;

25                (h) Zoning restrictions;

26                (i) The sanitation or sanitary conditions on or about the proposed  
27     licensed premises; and

28                (j) Whether the type of business or activity proposed to be operated  
29     in conjunction with the proposed license is and will be consistent with  
30     the public interest.

31                (4) Retail licenses, craft brewery licenses, or microdistillery

1    licenses issued or renewed by the commission shall be mailed or delivered  
2    to the clerk of the city, village, or county who shall deliver the same  
3    to the licensee upon receipt from the licensee of proof of payment of (a)  
4    the license fee if by the terms of subsection (6) of section 53-124 the  
5    fee is payable to the treasurer of such city, village, or county, (b) any  
6    fee for publication of notice of hearing before the local governing body  
7    upon the application for the license, (c) the fee for publication of  
8    notice of renewal as provided in section 53-135.01, and (d) occupation  
9    taxes, if any, imposed by such city, village, or county except as  
10   otherwise provided in subsection (6) of this section. Notwithstanding any  
11   ordinance or charter power to the contrary, no city, village, or county  
12   shall impose an occupation tax on the business of any person, firm, or  
13   corporation licensed under the act and doing business within the  
14   corporate limits of such city or village or within the boundaries of such  
15   county in any sum which exceeds two times the amount of the license fee  
16   required to be paid under the act to obtain such license.

17       (5) Each license shall designate the name of the licensee, the place  
18   of business licensed, and the type of license issued.

19       (6) Class J retail licensees shall not be subject to occupation  
20   taxes under subsection (4) of this section.

21       Sec. 23. Section 53-135, Revised Statutes Supplement, 2015, is  
22   amended to read:

23       53-135 A retail license issued by the commission and outstanding may  
24   be automatically renewed by the commission without formal application  
25   upon payment of the renewal fee and license fee if payable to the  
26   commission prior to or within thirty days after the expiration of the  
27   license. The payment shall be an affirmative representation and  
28   certification by the licensee that all answers contained in an  
29   application, if submitted, would be the same in all material respects as  
30   the answers contained in the last previous application. The commission  
31   may at any time require a licensee to submit an application, and the

1 commission shall at any time require a licensee to submit an application  
2 if requested in writing to do so by the local governing body.

3 If a licensee files an application form in triplicate original upon  
4 seeking renewal of his or her license, the application shall be processed  
5 as set forth in section 53-131.

6 ~~Any licensed retail premises located in an area which is annexed to  
7 any governmental subdivision shall file a formal application for a  
8 license, and while such application is pending, the licensee may continue  
9 all license privileges until the original license expires or is canceled  
10 or revoked. If such license expires within sixty days following the  
11 annexation date of such area, the license may be renewed by order of the  
12 commission for not more than one year.~~

13 Sec. 24. Section 53-168.06, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 53-168.06 No person shall manufacture, bottle, blend, sell, barter,  
16 transport, deliver, furnish, or possess any alcoholic liquor for beverage  
17 purposes except as specifically provided in the Nebraska Liquor Control  
18 Act. Nothing in the act shall prevent (1) the possession of alcoholic  
19 liquor legally obtained as provided in the act for the personal use of  
20 the possessor and his or her family and guests; (2) the making of wine,  
21 cider, or other alcoholic liquor by a person from fruits, vegetables, or  
22 grains, or the product thereof, by simple fermentation and without  
23 distillation, if made solely for the use of the maker and his or her  
24 family and guests; (3) any duly licensed practicing physician or dentist  
25 from possessing or using alcoholic liquor in the strict practice of his  
26 or her profession, any hospital or other institution caring for the sick  
27 and diseased persons from possessing and using alcoholic liquor for the  
28 treatment of bona fide patients of such hospital or other institution, or  
29 any drug store employing a licensed pharmacist from possessing or using  
30 alcoholic liquor in the compounding of prescriptions of licensed  
31 physicians; (4) the possession and dispensation of alcoholic liquor by an

1 authorized representative of any religion on the premises of a place of  
2 worship, for the purpose of conducting any bona fide religious rite,  
3 ritual, or ceremony; (5) persons who are sixteen years old or older from  
4 carrying alcoholic liquor from licensed establishments when they are  
5 accompanied by a person not a minor; (6) persons who are sixteen years  
6 old or older from handling alcoholic liquor containers and alcoholic  
7 liquor in the course of their employment; (7) persons who are sixteen  
8 years old or older from removing and disposing of alcoholic liquor  
9 containers for the convenience of the employer and customers in the  
10 course of their employment; or (8) persons who are sixteen years old or  
11 older from completing a transaction for the sale of alcoholic liquor in  
12 the course of their employment if they are not handling or serving  
13 alcoholic liquor; or (9) persons who are nineteen years old or older from  
14 serving or selling alcoholic liquor in the course of their employment.

15 Sec. 25. Section 53-169, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

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

27 (2) This section does shall not apply to the holder of a farm winery  
28 license. The holder of a craft brewery license shall have the privileges  
29 and duties listed in section 53-123.14 and the holder of a manufacturer's  
30 license shall have the privileges and duties listed in section 53-123.01  
31 with respect to the manufacture, distribution, and retail sale of beer,

1 and the Nebraska Liquor Control Act shall not be construed to permit the  
2 holder of a craft brewery license or of a manufacturer's license issued  
3 pursuant to section 53-123.01 to engage in the wholesale distribution of  
4 beer. The holder of a microdistillery license shall have the privileges  
5 and duties listed in section 53-123.16 with respect to the manufacture of  
6 alcoholic liquor, and the Nebraska Liquor Control Act shall not be  
7 construed to permit the holder of a microdistillery license to engage in  
8 the wholesale distribution of alcoholic liquor.

9 Sec. 26. Section 53-171, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

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

1        Sec. 27. Section 53-175, Reissue Revised Statutes of Nebraska, is  
2        amended to read:

3            53-175 It shall be unlawful for any person to purchase, receive,  
4        acquire, accept, or possess any alcoholic liquor acquired from any person  
5        other than one duly licensed to handle alcoholic liquor under the  
6        Nebraska Liquor Control Act unless within the specific exemptions or  
7        exceptions provided in the act. No licensed retailer of alcoholic liquor  
8        shall purchase such liquor other than from a licensed wholesaler who has  
9        his or her place of business within this state, ~~except that a licensed~~  
10      ~~retailer may purchase alcoholic liquor other than beer or wine from one~~  
11      ~~or more retailers licensed to sell alcoholic liquor for consumption off~~  
12      ~~the premises if the seller has the required federal wholesaler's basic~~  
13      ~~permit and federal wholesale liquor dealer's special tax stamp and has~~  
14      ~~filed proof of possession of the permit and tax stamp with the commission~~  
15      ~~prior to engaging in any such sales for resale. Retailers making such~~  
16      ~~sales and retailers making such purchases from retailers shall keep~~  
17      ~~accurate records of such sales and purchases and shall report all such~~  
18      ~~sales and purchases on a quarterly basis on forms and in such manner as~~  
19      ~~prescribed by the commission. No licensed retailer shall purchase in the~~  
20      ~~aggregate more than three hundred dollars of alcoholic liquor as allowed~~  
21      ~~under this section in any calendar year. Nothing in this section shall~~  
22      ~~prohibit the sale or exchange among collectors of commemorative bottles~~  
23      ~~or uniquely designed decanters which contain alcoholic liquor.~~

24        Sec. 28. Section 53-178, Reissue Revised Statutes of Nebraska, is  
25        amended to read:

26            53-178 Except in the case of hotels and clubs, no alcoholic liquor  
27        shall be manufactured or sold at retail or wholesale upon any premises  
28        which have any access which leads from such premises to any other portion  
29        of the same building or structure used for dwelling or lodging purposes,  
30        and ~~which is~~ permitted to be used or kept accessible for use by the  
31        public. This ~~section does provision shall~~ not prevent any connection

1      between such premises and such other portion of the building or structure  
2      which is used only by the licensee or his or her, his family and  
3      personal guests.

4            Sec. 29. Section 53-187, Reissue Revised Statutes of Nebraska, is  
5      amended to read:

6            53-187 No nonbeverage user shall sell, give away, or otherwise  
7      dispose of any alcoholic liquor, purchased under his or her license as  
8      such nonbeverage user, in any form fit for beverage purposes. Any  
9      nonbeverage user who violates shall ~~violate the provisions of~~ this  
10     section shall pay to the commission, for the use of the General Fund, the  
11     sum of three ~~two~~ dollars and seventy-five ~~ten~~ cents for each gallon of  
12     alcoholic liquor so diverted, and in addition thereto shall be subject to  
13     the penalties provided in section 53-1,100.

14           Sec. 30. Section 53-194.03, Reissue Revised Statutes of Nebraska, is  
15      amended to read:

16           53-194.03 (1) Except as provided in subsection (2) of this section,  
17      it ~~It~~ shall be unlawful for any person to transport, import, bring, ship,  
18      or cause to be transported, imported, brought, or shipped into the State  
19      of Nebraska for the personal use of the possessor, his or her family, or  
20      guests a quantity of alcoholic liquor in excess of nine liters in any one  
21      calendar month.

22           (2) Subsection (1) of this section does not apply to a person  
23      importing alcoholic liquor from a holder of a retail direct sales  
24      shipping license or its equivalent, which alcoholic liquor is for  
25      personal use or for use by such person's family or guests, if the total  
26      amount imported by such person in any one calendar year does not exceed  
27      one hundred eight liters.

28           (3) Alcoholic liquor transported, imported, brought, or shipped  
29      into the State of Nebraska in violation of this section shall be seized  
30      by the commission and disposed of in the manner provided for contraband.  
31      Any person violating this section shall be guilty of a Class IV

1 misdemeanor.

2 Sec. 31. Section 53-1,100, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4       53-1,100 (1) Any person (a 1) who manufactures, imports alcoholic  
5       liquor for distribution as a wholesaler, or distributes or sells  
6       alcoholic liquor at any place within the state without having first  
7       obtained a valid license to do so under the Nebraska Liquor Control Act,  
8       (b) who manufactures alcoholic liquor other than spirits within the state  
9       without having first obtained a valid license to do so under the act, (c  
10      2) who makes any false statement or otherwise violates any of the  
11      provisions of the act in obtaining any license under the act, (d 3) who,  
12      having obtained a license under the act, violates any of the provisions  
13      of the act with respect to the manufacture, possession, distribution, or  
14      sale of alcoholic liquor or with respect to the maintenance of the  
15      licensed premises, or (e 4) who violates any other provision of the act  
16      for which a penalty is not otherwise provided, shall for a first offense  
17      be guilty of a Class IV misdemeanor and for a second or subsequent  
18      offense shall be guilty of a Class II misdemeanor.

19       (2) Any person who manufactures spirits at any place within the  
20       state without having first obtained a valid license to do so under the  
21       act shall be guilty of a Class I misdemeanor for a first offense and a  
22       Class IV felony for a second or subsequent offense.

23       (3) Each day any person engages in business as a manufacturer,  
24       wholesaler, or retailer in violation of the act shall constitute a  
25       separate offense.

26       (4) In any prosecution in which a person is charged with an offense  
27       arising out of the failure to obtain a valid license as provided in  
28       subdivision (1)(a) or (b) or subsection (2) of this section, evidence of  
29       the failure of the accused to produce such license upon demand shall  
30       constitute prima facie proof that a license has not been issued by the  
31       commission to such person.

1        Sec. 32. If any section in this act or any part of any section is  
2 declared invalid or unconstitutional, the declaration shall not affect  
3 the validity or constitutionality of the remaining portions.

4        Sec. 33. Original sections 53-103.09, 53-103.18, 53-103.20,  
5 53-103.41, 53-123.01, 53-124.11, 53-125, 53-129, 53-131.01, 53-132,  
6 53-168.06, 53-169, 53-171, 53-175, 53-178, 53-187, 53-194.03, and  
7 53-1,100, Reissue Revised Statutes of Nebraska, sections 53-123.14,  
8 53-123.17, and 53-124.12, Revised Statutes Cumulative Supplement, 2014,  
9 and sections 53-103.44, 53-123.15, 53-124, 53-124.01, and 53-135, Revised  
10 Statutes Supplement, 2015, are repealed.

11       Sec. 34. The following section is outright repealed: Section  
12 28-1479, Reissue Revised Statutes of Nebraska.

13       Sec. 35. Since an emergency exists, this act takes effect when  
14 passed and approved according to law.