LEGISLATURE OF NEBRASKA

ONE HUNDRED FOURTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1105

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 53-103.20, 53-103.41, 53-123.01, 53-124.11, 53-103.09, 3 53-168.06, 53-169, 53-171, 53-175, 53-178, 53-187, and 53-1,100, 4 Reissue Revised Statutes of Nebraska, sections 53-123.14, 53-123.17, and 53-124.12, Revised Statutes Cumulative Supplement, 2014, and 5 6 sections 53-103.44, 53-123.15, 53-124, 53-124.01, and 53-135, 7 Revised Statutes Supplement, 2015; to create and provide powers and duties for the Nebraska Craft Brewery Board; to create the Nebraska 8 9 Beer Industry Promotional Fund; to impose and provide for fees; to require reports; to redefine terms; to provide for and change 10 licensure provisions for certain manufacturers and retailers; to 11 12 change disposition of manufacturers' license fees as prescribed; to 13 eliminate provisions regarding licensure in annexed areas; to change 14 prohibitions related to selling and serving alcoholic liquor; to 15 eliminate provisions relating to purchases by retailers prescribed; to place restrictions on manufacturing and sales at 16 wholesale; to change penalty provisions related to nonbeverage users 17 18 and manufacturing spirits without a license; to eliminate the 19 prohibition and penalty on the sale of carbonated soft drink or beer cans with removable, disposable tabs or grips as prescribed; to 20 21 harmonize provisions; to provide severability; to repeal 22 original sections; to outright repeal section 28-1479, Reissue Revised Statutes of Nebraska; and to declare an emergency. 23

1 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 <u>nonpartisan basis</u>. 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 <u>at least two board members shall be selected by the Governor from a list</u>
- 12 <u>of no fewer than ten candidates submitted by the Associated Beverage</u>
- 13 <u>Distributors of Nebraska or its successor organization. The executive</u>
- 14 <u>director of the Nebraska Tourism Commission or his or her designee shall</u>
- 15 <u>be a nonvoting, ex officio member of the board.</u>
- 16 (2) Whenever a vacancy occurs on the board for any reason, the
- 17 Governor shall appoint an individual to fill such vacancy pursuant to the
- 18 qualifications set forth in subsection (1) of this section.
- 19 Sec. 2. (1) Within thirty days after the appointment of the initial
- 20 members of the Nebraska Craft Brewery Board, such board shall conduct its
- 21 first regular meeting. During that meeting, the board members shall elect
- 22 from among themselves, by majority vote, a chairperson, vice-chairperson,
- 23 secretary, and treasurer, all to serve for terms of one year from the
- 24 date of election. Subsequent board meetings shall take place at least
- 25 once every six months and at such times as called by the chairperson or
- 26 by any three board members.
- 27 <u>(2) Each member shall serve for a term of three years and may be</u>
- 28 reappointed.
- 29 (3) All voting members of the board shall be reimbursed for their
- 30 actual and necessary expenses incurred while engaged in the performance
- 31 of official responsibilities as members of such board pursuant to

- 1 sections 81-1174 to 81-1177.
- 2 (4) A member may be removed by the Governor for cause. The member
- 3 shall first be given a written copy of the charges against him or her and
- 4 also an opportunity to be heard publicly. If a member moves out of
- 5 Nebraska, that shall be deemed sufficient cause for removal from office.
- 6 Sec. 3. The Nebraska Craft Brewery Board has the following powers
- 7 and duties:
- 8 (1) Establish a public forum to provide any manufacturer of beer or
- 9 producer of agricultural products used in the brewing process the
- 10 opportunity, at least once annually, to discuss with the board its
- 11 policies and procedures;
- 12 (2) Keep minutes of its meetings and other books and records which
- 13 will clearly reflect all of the acts and transactions of the board and to
- 14 make these records available for examination upon request by members of
- 15 the public;
- 16 (3) Authorize and approve the expenditure of funds collected
- 17 pursuant to section 4 of this act;
- 18 (4) Serve as an advisory panel to the Nebraska Liquor Control
- 19 Commission in all matters pertaining to the beer industry; and
- 20 <u>(5) Adopt and promulgate rules and regulations to carry out sections</u>
- 21 <u>1 to 5 of this act.</u>
- 22 Sec. 4. (1) The Nebraska Beer Industry Promotional Fund is created.
- 23 The fund shall consist of money credited pursuant to this section, fees
- 24 received from shipping licenses issued to beer manufacturers pursuant to
- 25 subsection (2) of section 53-123.15, gifts, grants, bequests, and any
- 26 <u>money appropriated by the Legislature. For administrative purposes, the</u>
- 27 <u>fund shall be located in the Nebraska Tourism Commission.</u>
- 28 (2) Beginning July 1, 2016, in addition to the annual license fee
- 29 <u>imposed by section 53-124.01</u>, each holder of a craft brewery license
- 30 shall pay an annual fee in the amount of two hundred fifty dollars to the
- 31 Nebraska Liquor Control Commission or shall opt out of paying the

- 1 additional fee on forms provided by the commission. Fees collected
- 2 pursuant to this subsection shall be remitted to the State Treasurer for
- 3 <u>credit to the Nebraska Beer Industry Promotional Fund.</u>
- 4 (3) The Nebraska Tourism Commission, at the direction of and in
- 5 cooperation with the Nebraska Craft Brewery Board, shall use the Nebraska
- 6 Beer Industry Promotional Fund to develop and maintain programs for the
- 7 research and advancement of the beer brewing process, the marketing and
- 8 promotion of the beer industry in Nebraska, and the marketing and
- 9 promotion of agricultural products and their byproducts grown and
- 10 produced in Nebraska for use in the beer industry. Such expenditures may
- 11 include, but are not limited to, all necessary funding for the employment
- 12 of experts in the field of beer brewing and business development, as
- 13 <u>deemed necessary by the board, and programs to carry out the purposes of</u>
- 14 this subsection. None of the money credited to the Nebraska Beer Industry
- 15 Promotional Fund may be used for lobbying purposes.
- 16 (4) Money in the Nebraska Beer Industry Promotional Fund not
- 17 expended during any fiscal year may be reappropriated for the ensuing
- 18 biennium. Any money in the fund available for investment shall be
- 19 <u>invested by the state investment officer pursuant to the Nebraska Capital</u>
- 20 Expansion Act and the Nebraska State Funds Investment Act.
- 21 Sec. 5. (1) The Nebraska Craft Brewery Board shall publish an
- 22 annual report on or before January 1 of each year which shall set forth
- 23 in detail the following:
- 24 (a) The name and address of each board member and a copy of all
- 25 rules and regulations adopted and promulgated by the board; and
- 26 (b) A detailed explanation of all programs for which the board
- 27 <u>approved funding during the most recently completed fiscal year pursuant</u>
- 28 to section 4 of this act.
- 29 <u>(2) Each annual report shall be presented electronically to the</u>
- 30 Nebraska Liquor Control Commission within thirty days after its
- 31 publication and made available also to any person who requests a copy.

- 1 Except for the annual copy required by this section to be provided to the
- 2 <u>commission</u>, the board may charge a nominal fee to cover the costs of
- 3 printing and postage for making available copies of its annual reports.
- 4 Sec. 6. Section 53-103.09, Reissue Revised Statutes of Nebraska, is
- 5 amended to read:
- 6 53-103.09 (1) Club means a corporation (a) which is organized under
- 7 the laws of this state, not for pecuniary profit, solely for the
- 8 promotion of some common object other than the sale or consumption of
- 9 alcoholic liquor, (b) which is kept, used, and maintained by its members
- 10 through the payment of annual dues, and (c) which owns, hires, or leases
- 11 a building or space in a building suitable and adequate for the
- 12 reasonable and comfortable use and accommodation of its members and their
- 13 guests, and (d) which has suitable and adequate kitchen and dining room
- 14 space and equipment and a sufficient number of servants and employees for
- 15 cooking, preparing, and serving food and meals for its members and their
- 16 quests.
- 17 (2) The affairs and management of such club shall be conducted by a
- 18 board of directors, executive committee, or similar body chosen by the
- 19 members at their annual meeting, and no member, officer, agent, or
- 20 employee of the club shall be paid or shall directly or indirectly
- 21 receive, in the form of salary or other compensation, any profits from
- 22 the distribution or sale of alcoholic liquor to the club or the members
- 23 of the club or its guests introduced by members other than any salary
- 24 fixed and voted at any annual meeting by the members or by the governing
- 25 body of the club out of the general revenue of the club.
- 26 Sec. 7. Section 53-103.20, Reissue Revised Statutes of Nebraska, is
- 27 amended to read:
- 28 53-103.20 Manufacturer means every brewer, fermenter, distiller,
- 29 rectifier, winemaker, blender, processor, bottler, restaurant, hotel, or
- 30 person who fills or refills an original package and others engaged in
- 31 brewing, fermenting, distilling, rectifying, or bottling alcoholic

- 1 liquor, including a wholly owned affiliate or duly authorized agent for a
- 2 manufacturer.
- 3 Sec. 8. Section 53-103.41, Reissue Revised Statutes of Nebraska, is
- 4 amended to read:
- 5 53-103.41 Wholesaler means a person importing or causing to be
- 6 imported into the state or purchasing or causing to be purchased within
- 7 the state alcoholic liquor for sale or resale to retailers licensed under
- 8 the Nebraska Liquor Control Act, whether the business of the wholesaler
- 9 is conducted under the terms of a franchise or any other form of an
- 10 agreement with a manufacturer or manufacturers, or who has caused
- 11 alcoholic liquor to be imported into the state or purchased in the state
- 12 from a manufacturer or manufacturers and was licensed to conduct such a
- 13 business by the commission on May 1, 1970, or has been so licensed since
- 14 that date.
- 15 Wholesaler does not include any retailer licensed to sell alcoholic
- 16 liquor for consumption off the premises who sells alcoholic liquor other
- 17 than beer or wine to another retailer pursuant to section 53-175, except
- 18 that any such retailer shall obtain the required federal wholesaler's
- 19 basic permit and federal wholesale liquor dealer's special tax stamp.
- 20 Wholesaler includes a distributor, distributorship, and jobber.
- 21 Sec. 9. Section 53-103.44, Revised Statutes Supplement, 2015, is
- 22 amended to read:
- 23 53-103.44 Hard cider means still wine (1)(a) (1)(a) derived
- 24 primarily from apples or apple concentrate and water such that apple
- 25 juice, or the equivalent amount of concentrate reconstituted to the
- 26 original brix of the juice prior to concentration, represents more than
- 27 fifty percent of the volume of the finished product and (ii) containing
- 28 no other fruit product nor any artificial product which imparts a fruit
- 29 flavor other than apple or (b) (b) (i) derived primarily from pears or
- 30 pear concentrate and water such that pear juice, or the equivalent amount
- 31 of concentrate reconstituted to the original brix of the juice prior to

- 1 concentration, represents more than fifty percent of the volume of the
- 2 finished product and (ii) containing no other fruit product nor any
- 3 artificial product which imparts a fruit flavor other than pear, (2)
- 4 containing at least one-half of one percent and less than eight and one-
- 5 half percent alcohol by volume, (3) having the taste, aroma, and
- 6 characteristics generally attributed to hard cider, and (4) sold or
- 7 offered for sale as hard cider.
- 8 Sec. 10. Section 53-123.01, Reissue Revised Statutes of Nebraska, is
- 9 amended to read:
- 10 53-123.01 (1) A manufacturer's license shall allow the manufacture,
- 11 storage, and sale of alcoholic liquor to wholesale licensees in this
- 12 state and to such persons outside the state as may be permitted by law,
- 13 except that nothing in the Nebraska Liquor Control Act shall prohibit a
- 14 manufacturer of beer from distributing tax-paid samples of beer at the
- 15 premises of a licensed manufacturer for consumption on the premises. A
- 16 manufacturer's license issued pursuant to this section shall be the only
- 17 <u>license required by the Nebraska Liquor Control Act for the manufacture</u>
- 18 and retail sale of beer manufactured on the licensed premises for
- 19 consumption on the licensed premises.
- 20 (2)(a) A licensee who or which first obtains a craft brewery license
- 21 pursuant to section 53-123.14, holds such license for not less than three
- 22 years, and operates a brewpub or microbrewery on the licensed premises of
- 23 <u>such craft brewery license shall obtain a manufacturer's license when the</u>
- 24 manufacture of beer on the licensed premises exceeds twenty thousand
- 25 barrels per year. The manufacturer's license shall authorize the
- 26 continued retail sale of beer for consumption on or off the premises but
- 27 only to the extent the premises were previously licensed as a craft
- 28 brewery. The sale of any beer other than beer manufactured by the
- 29 licensee, wine, or alcoholic liquor for consumption on the licensed
- 30 premises shall require the appropriate retail license. The holder of such
- 31 <u>manufacturer's license may continue to operate up to five retail</u>

- 1 locations which are in operation at the time such manufacturer's license
- 2 <u>is issued and shall divest itself from retail locations in excess of five</u>
- 3 locations. The licensee shall not begin operation at any new retail
- 4 <u>location even if the licensee's production is reduced below twenty</u>
- 5 thousand barrels per year.
- 6 (b) The holder of such manufacturer's license may obtain an annual
- 7 catering license pursuant to section 53-124.12, a special designated
- 8 <u>license pursuant to section 53-124.11, or an entertainment district</u>
- 9 license pursuant to section 53-123.17.
- 10 Sec. 11. Section 53-123.14, Revised Statutes Cumulative Supplement,
- 11 2014, is amended to read:
- 12 53-123.14 Any person who operates a craft brewery shall obtain a
- 13 license pursuant to the Nebraska Liquor Control Act. A license to operate
- 14 a craft brewery shall permit a brewpub or microbrewery to produce on the
- 15 <u>licensed</u> craft brewery premises a maximum of twenty thousand barrels of
- 16 beer per year. A craft brewery may also sell to beer wholesalers for sale
- 17 and distribution to licensed retailers. A craft brewery license issued
- 18 pursuant to this section shall be the only license required by the
- 19 Nebraska Liquor Control Act for the manufacture and retail sale of beer
- 20 for consumption on or off the licensed premises, except that the sale of
- 21 any beer other than beer manufactured by the craft brewery licensee,
- 22 wine, or alcoholic liquor by the drink for consumption on the <u>licensed</u>
- 23 craft brewery premises shall require the appropriate retail license. Any
- 24 license held by the operator of a craft brewery shall be subject to the
- 25 act. A holder of a craft brewery license may obtain an annual catering
- 26 license pursuant to section 53-124.12, a special designated license
- 27 pursuant to section 53-124.11, or an entertainment district license
- 28 pursuant to section 53-123.17. For purposes of this section, licensed
- 29 premises may include up to five separate physical locations.
- 30 Sec. 12. Section 53-123.15, Revised Statutes Supplement, 2015, is
- 31 amended to read:

- 53-123.15 (1) No person shall order or receive alcoholic liquor in this state which has been shipped directly to him or her from outside this state by any person other than a holder of a shipping license issued by the commission, except that a licensed wholesaler may receive not more
- 5 than three gallons of wine in any calendar year from any person who is
- 6 not a holder of a shipping license.
- 7 (2) The commission may issue a shipping license to a manufacturer.
- 8 Such license shall allow the licensee to ship alcoholic liquor only to a
- 9 licensed wholesaler. A person who receives a license pursuant to this
- 10 subsection shall pay the fee required in sections 53-124 and 53-124.01
- 11 for a manufacturer's shipping license. Such fee shall be collected by the
- 12 commission and be remitted to the State Treasurer. Fees remitted prior to
- 13 <u>July 1, 2016, shall be credited</u> for credit to the General Fund. <u>Fees</u>
- 14 <u>credited beginning on July 1, 2016, shall be credited to the Nebraska</u>
- 15 <u>Beer Industry Promotional Fund.</u>
- 16 (3) The commission may issue a shipping license to any person who
- 17 deals with vintage wines, which shipping license shall allow the licensee
- 18 to distribute such wines to a licensed wholesaler in the state. For
- 19 purposes of distributing vintage wines, a licensed shipper must utilize a
- 20 designated wholesaler if the manufacturer has a designated wholesaler.
- 21 For purposes of this section, vintage wine shall mean a wine verified to
- 22 be ten years of age or older and not available from a primary American
- 23 source of supply. A person who receives a license pursuant to this
- 24 subsection shall pay the fee required in sections 53-124 and 53-124.01
- 25 for a vintage wine dealer's shipping license. Such fee shall be collected
- 26 by the commission and be remitted to the State Treasurer for credit to
- 27 the General Fund.
- 28 (4) The commission may issue a shipping license to any manufacturer
- 29 who sells and ships alcoholic liquor from another state directly to a
- 30 consumer in this state if the manufacturer satisfies the requirements of
- 31 subsections (7) through (9) of this section. A manufacturer who receives

- 1 a license pursuant to this subsection shall pay the fee required in
- 2 sections 53-124 and 53-124.01 for a manufacture direct sales shipping
- 3 license. Such fee shall be collected by the commission and remitted to
- 4 the State Treasurer for credit to the Winery and Grape Producers
- 5 Promotional Fund.
- 6 (5) The commission may issue a shipping license to any retailer who
- 7 is licensed within or outside Nebraska, who is authorized to sell
- 8 alcoholic liquor at retail in the state of domicile of the retailer, and
- 9 who is not a manufacturer if such retailer satisfies the requirements of
- 10 subsections (7) through (9) of this section to ship alcoholic liquor from
- 11 another state directly to a consumer in this state. A retailer who
- 12 receives a license pursuant to this subsection shall pay the fee required
- 13 in sections 53-124 and 53-124.01 for a retail direct sales shipping
- 14 license. Such fee shall be collected by the commission and remitted to
- 15 the State Treasurer for credit to the Winery and Grape Producers
- 16 Promotional Fund.
- 17 (6) The application for a shipping license under subsection (2) or
- 18 (3) of this section shall be in such form as the commission prescribes.
- 19 The application shall contain all provisions the commission deems proper
- 20 and necessary to effectuate the purpose of any section of the act and the
- 21 rules and regulations of the commission that apply to manufacturers and
- 22 shall include, but not be limited to, provisions that the applicant, in
- 23 consideration of the issuance of such shipping license, agrees:
- 24 (a) To comply with and be bound by sections 53-162 and 53-164.01 in
- 25 making and filing reports, paying taxes, penalties, and interest, and
- 26 keeping records;
- 27 (b) To permit and be subject to all of the powers granted by section
- 28 53-164.01 to the commission or its duly authorized employees or agents
- 29 for inspection and examination of the applicant's premises and records
- 30 and to pay the actual expenses, excluding salary, reasonably attributable
- 31 to such inspections and examinations made by duly authorized employees of

- 1 the commission if within the United States; and
- 2 (c) That if the applicant violates any of the provisions of the
- 3 application or the license, any section of the act, or any of the rules
- 4 and regulations of the commission that apply to manufacturers, the
- 5 commission may suspend, cancel, or revoke such shipping license for such
- 6 period of time as it may determine.
- 7 (7) The application for a shipping license under subsection (4) or
- 8 (5) of this section shall be in such form as the commission prescribes.
- 9 The application shall require an applicant which is a manufacturer, a
- 10 craft brewery, a craft distillery, or a farm winery to identify the
- 11 brands of alcoholic liquor that the applicant is requesting the authority
- 12 to ship either into or within Nebraska. For all applicants, unless
- 13 otherwise provided in this section, the application shall contain all
- 14 provisions the commission deems proper and necessary to effectuate the
- 15 purpose of any section of the act and the rules and regulations of the
- 16 commission that apply to manufacturers or retailers and shall include,
- 17 but not be limited to, provisions that the applicant, in consideration of
- 18 the issuance of such shipping license, agrees:
- 19 (a) To comply with and be bound by sections 53-162 and 53-164.01 in
- 20 making and filing reports, paying taxes, penalties, and interest, and
- 21 keeping records;
- 22 (b) To permit and be subject to all of the powers granted by section
- 23 53-164.01 to the commission or its duly authorized employees or agents
- 24 for inspection and examination of the applicant's premises and records
- 25 and to pay the actual expenses, excluding salary, reasonably attributable
- 26 to such inspections and examinations made by duly authorized employees of
- 27 the commission if within the United States;
- 28 (c) That if the applicant violates any of the provisions of the
- 29 application or the license, any section of the act, or any of the rules
- 30 and regulations of the commission that apply to manufacturers or
- 31 retailers, the commission may suspend, cancel, or revoke such shipping

- 1 license for such period of time as it may determine;
- 2 (d) That the applicant agrees to notify the commission of any
- 3 violations in the state in which he or she is domiciled and any
- 4 violations of the direct shipping laws of any other states. Failure to
- 5 notify the commission within thirty days after such a violation may
- 6 result in a hearing before the commission pursuant to which the license
- 7 may be suspended, canceled, or revoked; and
- 8 (e) That the applicant, if a manufacturer, craft brewery, craft
- 9 distillery, or farm winery, agrees to notify any wholesaler licensed in
- 10 Nebraska that has been authorized to distribute such brands that the
- 11 application has been filed for a shipping license. The notice shall be in
- 12 writing and in a form prescribed by the commission. The commission may
- 13 adopt and promulgate rules and regulations as it reasonably deems
- 14 necessary to implement this subdivision, including rules and regulations
- 15 that permit the holder of a shipping license under this subdivision to
- 16 amend the shipping license by, among other things, adding or deleting any
- 17 brands of alcoholic liquor identified in the shipping license.
- 18 (8) Any manufacturer or retailer who is granted a shipping license
- 19 under subsection (4) or (5) of this section shall:
- 20 (a) Only ship the brands of alcoholic liquor identified on the
- 21 application;
- 22 (b) Only ship alcoholic liquor that is owned by the holder of the
- 23 shipping license;
- 24 (c) Only ship alcoholic liquor that is properly registered with the
- 25 Alcohol and Tobacco Tax and Trade Bureau of the United States Department
- 26 of the Treasury;
- 27 (d) Not ship any alcoholic liquor products that the manufacturers or
- 28 wholesalers licensed in Nebraska have voluntarily agreed not to bring
- 29 into Nebraska at the request of the commission;
- 30 (e) Not ship more than nine liters of alcoholic liquor per month to
- 31 any person in Nebraska to whom alcoholic beverages may be lawfully sold.

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1 All such sales and shipments shall be for personal consumption only and

2 not for resale; and

3 (f) Cause the direct shipment of alcoholic liquor to be by approved common carrier only. The commission shall adopt and promulgate rules and 4 regulations pursuant to which common carriers may apply for approval to 5 provide common carriage of alcoholic liquor shipped by a holder of a 6 shipping license issued pursuant to subsection (4) or (5) of this 7 section. The rules and regulations shall include provisions that require 8 (i) the recipient to demonstrate, upon delivery, that he or she is at 9 least twenty-one years of age, (ii) the recipient to sign an electronic 10 or paper form or other acknowledgement of receipt as approved by the 11 commission, and (iii) the commission-approved common carrier to submit to 12 13 the commission such information as the commission may prescribe. The 14 commission-approved common carrier shall refuse delivery when the proposed recipient appears to be under the age of twenty-one years and 15 16 refuses to present valid identification. All holders of shipping licenses shipping alcoholic liquor pursuant to this subdivision shall affix a 17 conspicuous notice in sixteen-point type or larger to the outside of each 18 package of alcoholic liquor shipped within or into the State of Nebraska, 19 in a conspicuous location, stating: CONTAINS ALCOHOLIC BEVERAGES; 20 SIGNATURE OF PERSON AT LEAST 21 YEARS OF AGE REQUIRED FOR DELIVERY. Any 21 delivery of alcoholic beverages to a minor by a common carrier shall 22 23 constitute a violation by the common carrier. The common carrier and the 24 holder of the shipping license shall be liable only for their independent 25 acts.

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

- 1 commission and any sales taxes to the Department of Revenue.
- 2 (10) By July 1, 2014, the commission shall report to the General
- 3 Affairs Committee of the Legislature the number of shipping licenses
- 4 issued for license years 2013-14 and 2014-15. The report shall be made
- 5 electronically.
- 6 Sec. 13. Section 53-123.17, Revised Statutes Cumulative Supplement,
- 7 2014, is amended to read:
- 8 53-123.17 (1) A local governing body may designate an entertainment
- 9 district in which a commons area may be used by retail, craft brewery,
- 10 and microdistillery licensees and holders of a manufacturer's license
- 11 which obtain an entertainment district license. The local governing body
- 12 may, at any time, revoke such designation if it finds that the commons
- area threatens the health, safety, or welfare of the public or has become
- 14 a common nuisance. The local governing body shall file the designation or
- 15 the revocation of the designation with the commission.
- 16 (2) An entertainment district license allows the sale of alcoholic
- 17 liquor for consumption on the premises within the confines of a commons
- 18 area. The consumption of alcoholic liquor in the commons area shall only
- 19 occur during the hours authorized for sale of alcoholic liquor for
- 20 consumption on the premises under section 53-179 and while food service
- 21 is available in the commons area. Only the holder of an entertainment
- 22 district license or employees of such licensee may sell or dispense
- 23 alcoholic liquor in the commons area.
- 24 (3) An entertainment district licensee shall serve alcoholic liquor
- 25 to be consumed in the commons area in containers that prominently
- 26 displays the licensee's trade name or logo or some other mark that is
- 27 unique to the licensee under the licensee's retail license, craft brewery
- 28 license, or microdistillery license, or manufacturer's license. An
- 29 entertainment district licensee may allow alcohol sold by another
- 30 entertainment district licensee to enter the licensed premises of either
- 31 licensee. No entertainment district licensee shall allow alcoholic liquor

- 1 to leave the commons area or the premises licensed under its retail
- 2 license, craft brewery license, or microdistillery license, or
- 3 manufacturer's license.
- 4 (4) If the licensed premises of the holder of a license to sell
- 5 alcoholic liquor at retail issued under subsection (6) of section 53-124,
- 6 a craft brewery license, or a microdistillery license<u>, or a</u>
- 7 <u>manufacturer's license</u> is adjacent to a commons area in an entertainment
- 8 district designated by a local governing body pursuant to this section,
- 9 the holder of the license may obtain an annual entertainment district
- 10 license as prescribed in this section. The entertainment district license
- 11 shall be issued for the same period and may be renewed in the same manner
- as the retail license, craft brewery license, or microdistillery license,
- 13 or manufacturer's license.
- 14 (5) In order to obtain an entertainment district license, a person
- 15 eligible under subsection (4) of this section shall:
- 16 (a) File an application with the commission upon such forms as the
- 17 commission prescribes; and
- 18 (b) Pay an additional license fee of three hundred dollars for the
- 19 privilege of serving alcohol in the entertainment district payable to the
- 20 clerk of the local governing body in the same manner as license fees
- 21 under subdivision (4) of section 53-134.
- 22 (6) When an application for an entertainment district license is
- 23 filed, the commission shall notify the clerk of the local governing body.
- 24 The commission shall include with such notice one copy of the application
- 25 by mail or electronic delivery. The local governing body and the
- 26 commission shall process the application in the same manner as provided
- 27 in section 53-132.
- 28 (7) The local governing body may impose an occupation tax on the
- 29 business of an entertainment district licensee doing business within the
- 30 liquor license jurisdiction of the local governing body as provided in
- 31 subdivision (11)(b) of this section in accordance with section 53-132.

- 1 (8) The local governing body with respect to entertainment district
- 2 licensees within its liquor license jurisdiction as provided in
- 3 subdivision (11)(b) of this section may cancel an entertainment district
- 4 license for cause for the remainder of the period for which such
- 5 entertainment district license is issued. Any person whose entertainment
- 6 district license is canceled may appeal to the commission in accordance
- 7 with section 53-134.
- 8 (9) A local governing body may regulate by ordinance, not
- 9 inconsistent with the Nebraska Liquor Control Act, any area it designates
- 10 as an entertainment district.
- 11 (10) Violation of any provision of this section or any rules or
- 12 regulations adopted and promulgated pursuant to this section by an
- 13 entertainment district licensee may be cause to revoke, cancel, or
- 14 suspend the retail license issued under subsection (6) of section 53-124,
- 15 craft brewery license, or microdistillery license, or manufacturer's
- 16 <u>license</u> held by such licensee.
- 17 (11) For purposes of this section:
- 18 (a) Commons area means an area:
- 19 (i) Within an entertainment district designated by a local governing
- 20 body;
- 21 (ii) Shared by authorized licensees with entertainment district
- 22 licenses;
- 23 (iii) Abutting the licensed premises of such licensees;
- 24 (iv) Having limited pedestrian accessibility by use of a physical
- 25 barrier, either on a permanent or temporary basis; and
- 26 (v) Closed to vehicular traffic when used as a commons area.
- 27 Commons area may include any area of a public or private right-of-
- 28 way if the area otherwise meets the requirements of this section; and
- 29 (b) Local governing body means the governing body of the city or
- 30 village in which the entertainment district licensee is located.
- 31 Sec. 14. Section 53-124, Revised Statutes Supplement, 2015, is

- 1 amended to read:
- 2 53-124 (1) At the time application is made to the commission for a
- 3 license of any type, the applicant shall pay the fee provided in section
- 4 53-124.01 and, if the applicant is an individual, provide the applicant's
- 5 social security number. The commission shall issue the types of licenses
- 6 described in this section.
- 7 (2) There shall be an airline license, a boat license, a pedal-pub
- 8 vehicle license, and a railroad license. The commission shall charge one
- 9 dollar for each duplicate of an airline license, a pedal-pub vehicle
- 10 license, or a railroad license.
- 11 (3)(a) There shall be a manufacturer's license for alcohol and
- 12 spirits, for beer, and for wine. The annual fee for a manufacturer's
- 13 license for beer shall be based on the barrel daily capacity as follows:
- (i) 1 to 100 barrel daily capacity, or any part thereof, tier one;
- 15 (ii) 100 to 150 barrel daily capacity, tier two;
- 16 (iii) 150 to 200 barrel daily capacity, tier three;
- 17 (iv) 200 to 300 barrel daily capacity, tier four;
- 18 (v) 300 to 400 barrel daily capacity, tier five;
- 19 (vi) 400 to 500 barrel daily capacity, tier six;
- 20 (vii) 500 barrel daily capacity, or more, tier seven.
- 21 (b) For purposes of this subsection, daily capacity means the
- 22 average daily barrel production for the previous twelve months of
- 23 manufacturing operation. If no such basis for comparison exists, the
- 24 manufacturing licensee shall pay in advance for the first year's
- 25 operation a fee of five hundred dollars.
- 26 (4) There shall be five classes of nonbeverage users' licenses:
- 27 Class 1, Class 2, Class 3, Class 4, and Class 5.
- 28 (5) In lieu of a manufacturer's, a retailer's, or a wholesaler's
- 29 license, there shall be a license to operate issued for a craft brewery,
- 30 a farm winery, or a microdistillery.
- 31 (6)(a) There shall be six five classes of retail licenses:

- 1 (i) Class A: Beer only, for consumption on the premises;
- 2 (ii) Class B: Beer only, for consumption off the premises, sales in
- 3 the original packages only;
- 4 (iii) Class C: Alcoholic liquor, for consumption on the premises and
- 5 off the premises, sales in original packages only. If a Class C license
- 6 is held by a nonprofit corporation, it shall be restricted to consumption
- 7 on the premises only. A Class C license may have a sampling designation
- 8 restricting consumption on the premises to sampling, but such designation
- 9 shall not affect sales for consumption off the premises under such
- 10 license;
- 11 (iv) Class D: Alcoholic liquor, including beer, for consumption off
- 12 the premises, sales in the original packages only, except as provided in
- 13 subsection (2) of section 53-123.04;—and
- (v) Class I: Alcoholic liquor, for consumption on the premises;
- 15 and \pm
- 16 (vi) Class T: Alcoholic liquor, including beer, for consumption off
- 17 the premises, sales in the original packages only, for a retail licensee
- 18 whose annual gross revenue from the sale of alcohol does not exceed
- 19 <u>twenty percent of the licensee's total annual gross revenue from all</u>
- 20 <u>retail sales.</u>
- 21 (b) All applicable license fees shall be paid by the applicant or
- 22 licensee directly to the city or village treasurer in the case of
- 23 premises located inside the corporate limits of a city or village and
- 24 directly to the county treasurer in the case of premises located outside
- 25 the corporate limits of a city or village.
- 26 (7) There shall be four types of shipping licenses as described in
- 27 section 53-123.15: Manufacturers, vintage wines, manufacture direct
- 28 sales, and retail direct sales.
- 29 (8) There shall be two types of wholesale licenses: Alcoholic liquor
- 30 and beer only. The annual fee shall be paid for the first and each
- 31 additional wholesale place of business operated in this state by the same

- 1 licensee and wholesaling the same product.
- 2 (9) The license year, unless otherwise provided in the Nebraska
- 3 Liquor Control Act, shall commence on May 1 of each year and shall end on
- 4 the following April 30, except that the license year for a Class C
- 5 license shall commence on November 1 of each year and shall end on the
- 6 following October 31. During the license year, no license shall be issued
- 7 for a sum less than the amount of the annual license fee as fixed in
- 8 section 53-124.01, regardless of the time when the application for such
- 9 license has been made, except that (a) when there is a purchase of an
- 10 existing licensed business and a new license of the same class is issued
- 11 or (b) upon the issuance of a new license for a location which has not
- 12 been previously licensed, the license fee and occupation taxes shall be
- 13 prorated on a quarterly basis as of the date of issuance.
- Sec. 15. Section 53-124.01, Revised Statutes Supplement, 2015, is
- 15 amended to read:
- 16 53-124.01 (1) The fees for annual licenses finally issued by the
- 17 commission shall be as provided in this section and section 53-124.
- 18 (2) Airline license ... \$100
- 19 (3) Boat license ... \$50
- 20 (4) Manufacturer's license:

21	Class	Fee -	In	Dolla	ırs
21	Class	⊦ee -	Τn	ротта	irs

- 22 Alcohol and spirits 1,000
- 23 Beer tier one 100
- 24 Beer tier two 200
- 25 Beer tier three 350
- 26 Beer tier four 500
- 27 Beer tier five 650
- 28 Beer tier six 700
- 29 Beer tier seven 800
- 30 Wine 250
- 31 (5) Nonbeverage user's license:

1	Class	Fee - In Dollars
2	Class 1	5
3	Class 2	25
4	Class 3	50
5	Class 4	100
6	Class 5	250
7	(6) Operator's license:	
8	Class	Fee - In Dollars
9	Craft brewery	250
10	Farm winery	250
11	Microdistillery	250
12	(7) Pedal-pub vehicle license	. \$50
13	(8) Railroad license \$100	
14	(9) Retail license:	
15	Class	Fee - In Dollars
16	Class A	100
17	Class B	100
18	Class C	300
19	Class D	200
20	Class I	250
21	<u>Class T</u>	<u>50</u>
22	(10) Shipping license:	
23	Class	Fee - In Dollars
24	Manufacturer	1,000
25	Vintage wines	1,000
26	Manufacture direct sales	500
27	Retail direct sales	500
28	(11) Wholesale license:	
29	Class	Fee - In Dollars
30	Alcoholic liquor	750

1 Beer 500

Sec. 16. Section 53-124.11, Reissue Revised Statutes of Nebraska, is amended to read:

- 53-124.11 (1) The commission may issue a special designated license 4 for sale or consumption of alcoholic liquor at a designated location to a 5 retail licensee, a craft brewery licensee, a microdistillery licensee, a 6 7 farm winery licensee, the holder of a manufacturer's license issued pursuant to subsection (2) of section 53-123.01, a municipal corporation, 8 9 a fine arts museum incorporated as a nonprofit corporation, a religious nonprofit corporation which has been exempted from the payment of federal 10 income taxes, a political organization which has been exempted from the 11 payment of federal income taxes, or any other nonprofit corporation the 12 purpose of which is fraternal, charitable, or public service and which 13 has been exempted from the payment of federal income taxes, under 14 conditions specified in this section. The applicant shall demonstrate 15 meeting the requirements of this subsection. 16
- 17 (2) No retail licensee, craft brewery licensee, microdistillery licensee, farm winery licensee, holder of a manufacturer's license issued 18 pursuant to subsection (2) of section 53-123.01, organization, or 19 corporation enumerated in subsection (1) of this section may be issued a 20 special designated license under this section for more than six calendar 21 days in any one calendar year. Only one special designated license shall 22 be required for any application for two or more consecutive days. This 23 24 subsection shall not apply to any holder of a catering license.
- (3) Except for any special designated license issued to a holder of a catering license, there shall be a fee of forty dollars for each day identified in the special designated license. Such fee shall be submitted with the application for the special designated license, collected by the commission, and remitted to the State Treasurer for credit to the General Fund. The applicant shall be exempt from the provisions of the Nebraska Liquor Control Act requiring an application or renewal fee and the

1 provisions of the act requiring the expiration of forty-five days from the time the application is received by the commission prior to the 2 issuance of a license, if granted by the commission. The retail 3 4 licensees, craft brewery licensees, microdistillery licensees, farm winery licensees, holders of manufacturer's licenses issued pursuant to 5 subsection (2) of section 53-123.01, municipal 6 corporations, organizations, and nonprofit corporations enumerated in subsection (1) of 7 this section seeking a special designated license shall file an 8 application on such forms as the commission may prescribe. Such forms 9 along with other information as 10 shall contain, required by commission, (a) the name of the applicant, (b) the premises for which a 11 special designated license is requested, identified by street and number 12 if practicable and, if not, by some other appropriate description which 13 definitely locates the premises, (c) the name of the owner or lessee of 14 the premises for which the special designated license is requested, (d) 15 16 sufficient evidence that the holder of the special designated license, if issued, will carry on the activities and business authorized by the 17 license for himself, herself, or itself and not as the agent of any other 18 person, group, organization, or corporation, for profit or not for 19 profit, (e) a statement of the type of activity to be carried on during 20 the time period for which a special designated license is requested, and 21 (f) sufficient evidence that the activity will be supervised by persons 22 23 or managers who are agents of and directly responsible to the holder of 24 the special designated license.

25 (4) No special designated license provided for by this section shall
26 be issued by the commission without the approval of the local governing
27 body. The local governing body may establish criteria for approving or
28 denying a special designated license. The local governing body may
29 designate an agent to determine whether a special designated license is
30 to be approved or denied. Such agent shall follow criteria established by
31 the local governing body in making his or her determination. The

- 1 determination of the agent shall be considered the determination of the
- 2 local governing body unless otherwise provided by the local governing
- 3 body. For purposes of this section, the local governing body shall be the
- 4 city or village within which the premises for which the special
- 5 designated license is requested are located or, if such premises are not
- 6 within the corporate limits of a city or village, then the local
- 7 governing body shall be the county within which the premises for which
- 8 the special designated license is requested are located.
- 9 (5) If the applicant meets the requirements of this section, a
- 10 special designated license shall be granted and issued by the commission
- 11 for use by the holder of the special designated license. All statutory
- 12 provisions and rules and regulations of the commission that apply to a
- 13 retail licensee shall apply to the holder of a special designated license
- 14 with the exception of such statutory provisions and rules and regulations
- 15 of the commission so designated by the commission and stated upon the
- 16 issued special designated license, except that the commission may not
- 17 designate exemption of sections 53-180 to 53-180.07. The decision of the
- 18 commission shall be final. If the applicant does not qualify for a
- 19 special designated license, the application shall be denied by the
- 20 commission.
- 21 (6) A special designated license issued by the commission shall be
- 22 mailed or delivered to the city, village, or county clerk who shall
- 23 deliver such license to the licensee upon receipt of any fee or tax
- 24 imposed by such city, village, or county.
- Sec. 17. Section 53-124.12, Revised Statutes Cumulative Supplement,
- 26 2014, is amended to read:
- 27 53-124.12 (1) The holder of a license to sell alcoholic liquor at
- 28 retail issued under subsection (6) of section 53-124, a craft brewery
- 29 license, a microdistillery license, or a farm winery license, or a
- 30 manufacturer's license issued under subsection (2) of section 53-123.01
- 31 may obtain an annual catering license as prescribed in this section. The

- 1 catering license shall be issued for the same period and may be renewed
- 2 in the same manner as the retail license, craft brewery license,
- 3 microdistillery license, or farm winery license, or manufacturer's
- 4 license.
- 5 (2) Any person desiring to obtain a catering license shall file with
- 6 the commission:
- 7 (a) An application in triplicate original upon such forms as the
- 8 commission prescribes; and
- 9 (b) A license fee of one hundred dollars payable to the commission,
- 10 which fee shall be returned to the applicant if the application is
- 11 denied.
- 12 (3) When an application for a catering license is filed, the
- 13 commission shall notify the clerk of the city or incorporated village in
- 14 which such applicant is located or, if the applicant is not located
- 15 within a city or incorporated village, the county clerk of the county in
- 16 which such applicant is located, of the receipt of the application. The
- 17 commission shall include with such notice one copy of the application by
- 18 mail or electronic delivery. The local governing body and the commission
- 19 shall process the application in the same manner as provided in section
- 20 53-132.
- 21 (4) The local governing body with respect to catering licensees
- 22 within its liquor license jurisdiction as provided in subsection (5) of
- 23 this section may cancel a catering license for cause for the remainder of
- 24 the period for which such catering license is issued. Any person whose
- 25 catering license is canceled may appeal to the district court of the
- 26 county in which the local governing body is located.
- 27 (5) For purposes of this section, local governing body means (a) the
- 28 governing body of the city or village in which the catering licensee is
- 29 located or (b) if such licensee is not located within a city or village,
- 30 the governing body of the county in which such licensee is located.
- 31 (6) The local governing body may impose an occupation tax on the

- 1 business of a catering licensee doing business within the liquor license
- 2 jurisdiction of the local governing body as provided in subsection (5) of
- 3 this section. Such tax may not exceed double the license fee to be paid
- 4 under this section.
- 5 Sec. 18. Section 53-129, Reissue Revised Statutes of Nebraska, is
- 6 amended to read:
- 7 53-129 Retail, craft brewery, and microdistillery licenses issued
- 8 under the Nebraska Liquor Control Act apply only to that part of the
- 9 premises described in the application approved by the commission and in
- 10 the license issued on the application. For retail and microdistillery
- 11 licenses,—and only one location shall be described in each license. For
- 12 <u>craft brewery licenses</u>, up to five separate physical locations may be
- 13 <u>described in each license</u>. After such license has been granted for
- 14 particular premises, the commission, with the approval of the local
- 15 governing body and upon proper showing, may endorse upon the license
- 16 permission to add to, delete from, or abandon the premises described in
- 17 such license and, if applicable, to move from the premises to other
- 18 premises approved by it, but in order to obtain such approval the retail,
- 19 craft brewery, or microdistillery licensee shall file with the local
- 20 governing body a request in writing and a statement under oath which
- 21 shows that the premises as added to or deleted from or to which such move
- 22 is to be made comply in all respects with the requirements of the act. No
- 23 such addition, deletion, or move shall be made by any such licensee until
- 24 the license has been endorsed to that effect in writing by the local
- 25 governing body and by the commission and the licensee furnishes proof of
- 26 payment of the renewal fee prescribed in subsection (4) of section
- 27 53-131.
- 28 Sec. 19. Section 53-135, Revised Statutes Supplement, 2015, is
- 29 amended to read:
- 30 53-135 A retail license issued by the commission and outstanding may
- 31 be automatically renewed by the commission without formal application

- 1 upon payment of the renewal fee and license fee if payable to the
- 2 commission prior to or within thirty days after the expiration of the
- 3 license. The payment shall be an affirmative representation and
- 4 certification by the licensee that all answers contained in an
- 5 application, if submitted, would be the same in all material respects as
- 6 the answers contained in the last previous application. The commission
- 7 may at any time require a licensee to submit an application, and the
- 8 commission shall at any time require a licensee to submit an application
- 9 if requested in writing to do so by the local governing body.
- 10 If a licensee files an application form in triplicate original upon
- 11 seeking renewal of his or her license, the application shall be processed
- 12 as set forth in section 53-131.
- 13 Any licensed retail premises located in an area which is annexed to
- 14 any governmental subdivision shall file a formal application for a
- 15 license, and while such application is pending, the licensee may continue
- 16 all license privileges until the original license expires or is canceled
- 17 or revoked. If such license expires within sixty days following the
- 18 annexation date of such area, the license may be renewed by order of the
- 19 commission for not more than one year.
- 20 Sec. 20. Section 53-168.06, Reissue Revised Statutes of Nebraska, is
- 21 amended to read:
- 22 53-168.06 No person shall manufacture, bottle, blend, sell, barter,
- 23 transport, deliver, furnish, or possess any alcoholic liquor for beverage
- 24 purposes except as specifically provided in the Nebraska Liquor Control
- 25 Act. Nothing in the act shall prevent (1) the possession of alcoholic
- 26 liquor legally obtained as provided in the act for the personal use of
- 27 the possessor and his or her family and guests; (2) the making of wine,
- 28 cider, or other alcoholic liquor by a person from fruits, vegetables, or
- 29 grains, or the product thereof, by simple fermentation and without
- 30 distillation, if made solely for the use of the maker and his or her
- 31 family and guests; (3) any duly licensed practicing physician or dentist

1 from possessing or using alcoholic liquor in the strict practice of his 2 or her profession, any hospital or other institution caring for the sick and diseased persons from possessing and using alcoholic liquor for the 3 treatment of bona fide patients of such hospital or other institution, or 4 5 any drug store employing a licensed pharmacist from possessing or using alcoholic liquor in the compounding of prescriptions of licensed 6 7 physicians; (4) the possession and dispensation of alcoholic liquor by an authorized representative of any religion on the premises of a place of 8 9 worship, for the purpose of conducting any bona fide religious rite, ritual, or ceremony; (5) persons who are sixteen years old or older from 10 carrying alcoholic liquor from licensed establishments when they are 11 accompanied by a person not a minor; (6) persons who are sixteen years 12 13 old or older from handling alcoholic liquor containers and alcoholic liquor in the course of their employment; (7) persons who are sixteen 14 years old or older from removing and disposing of alcoholic liquor 15 containers for the convenience of the employer and customers in the 16 17 course of their employment; or (8) persons who are sixteen years old or older from completing a transaction for the sale of alcoholic liquor in 18 the course of their employment if they are not handling or serving 19 alcoholic liquor; (9) persons who are at least sixteen years old and 20 younger than nineteen years old from serving and selling alcoholic liquor 21 in the course of their employment if they are certified as beverage 22 23 servers pursuant to section 53-117.03; or (10) persons who are nineteen 24 years old or older from serving or selling alcoholic liquor in the course 25 of their employment.

Sec. 21. Section 53-169, Reissue Revised Statutes of Nebraska, is amended to read:

53-169 (1) Except as provided in subsection (2) of this section, no
No manufacturer or wholesaler shall directly or indirectly: (a) Pay for
any license to sell alcoholic liquor at retail or advance, furnish, lend,
or give money for payment of such license; (b) purchase or become the

- 1 owner of any note, mortgage, or other evidence of indebtedness of such
- 2 licensee or any form of security therefor; (c) be interested in the
- 3 ownership, conduct, or operation of the business of any licensee
- 4 authorized to sell alcoholic liquor at retail; or (d) be interested
- 5 directly or indirectly or as owner, part owner, lessee, or lessor thereof
- 6 in any premises upon which alcoholic liquor is sold at retail.
- 7 (2) This section <u>does</u> shall not apply to the holder of a farm winery
- 8 license. The holder of a craft brewery license shall have the privileges
- 9 and duties listed in section 53-123.14 and the holder of a manufacturer's
- 10 license shall have the privileges and duties listed in section 53-123.01
- 11 with respect to the manufacture, distribution, and retail sale of beer,
- 12 and the Nebraska Liquor Control Act shall not be construed to permit the
- 13 holder of a craft brewery license or of a manufacturer's license issued
- 14 pursuant to section 53-123.01 to engage in the wholesale distribution of
- 15 beer. The holder of a microdistillery license shall have the privileges
- 16 and duties listed in section 53-123.16 with respect to the manufacture of
- 17 alcoholic liquor, and the Nebraska Liquor Control Act shall not be
- 18 construed to permit the holder of a microdistillery license to engage in
- 19 the wholesale distribution of alcoholic liquor.
- 20 Sec. 22. Section 53-171, Reissue Revised Statutes of Nebraska, is
- 21 amended to read:
- 22 53-171 No person licensed as a manufacturer or wholesaler of
- 23 alcoholic liquor shall be permitted to receive any retail license at the
- 24 same time. No person licensed as a manufacturer shall be permitted to
- 25 receive any retail license at the same time except as set forth in
- 26 <u>subsection (2) of section 53-123.01 with respect to the manufacture,</u>
- 27 distribution, and retail sale of beer, and the Nebraska Liquor Control
- 28 Act shall not be construed to permit the holder of a manufacturer's
- 29 license issued pursuant to such subsection to engage in the wholesale
- 30 distribution of alcoholic liquor. No person licensed as a retailer of
- 31 alcoholic liquor shall be permitted to receive any manufacturer's or

- 1 wholesale license at the same time. This section shall not apply to the
- 2 holder of a farm winery license. The holder of a craft brewery license
- 3 shall have the privileges and duties listed in section 53-123.14 with
- 4 respect to the manufacture, distribution, and retail sale of beer, and
- 5 the Nebraska Liquor Control Act shall not be construed to permit the
- 6 holder of a craft brewery license to engage in the wholesale distribution
- 7 of beer. The holder of a microdistillery license shall have the
- 8 privileges and duties listed in section 53-123.16 with respect to the
- 9 manufacture of alcoholic liquor, and the Nebraska Liquor Control Act
- 10 shall not be construed to permit the holder of a microdistillery license
- 11 to engage in the wholesale distribution of alcoholic liquor.
- Sec. 23. Section 53-175, Reissue Revised Statutes of Nebraska, is
- 13 amended to read:
- 14 53-175 It shall be unlawful for any person to purchase, receive,
- 15 acquire, accept, or possess any alcoholic liquor acquired from any person
- 16 other than one duly licensed to handle alcoholic liquor under the
- 17 Nebraska Liquor Control Act unless within the specific exemptions or
- 18 exceptions provided in the act. No licensed retailer of alcoholic liquor
- 19 shall purchase such liquor other than from a licensed wholesaler who has
- 20 his or her place of business within this state, except that a licensed
- 21 retailer may purchase alcoholic liquor other than beer or wine from one
- 22 or more retailers licensed to sell alcoholic liquor for consumption off
- 23 the premises if the seller has the required federal wholesaler's basic
- 24 permit and federal wholesale liquor dealer's special tax stamp and has
- 25 filed proof of possession of the permit and tax stamp with the commission
- 26 prior to engaging in any such sales for resale. Retailers making such
- 27 sales and retailers making such purchases from retailers shall keep
- 28 accurate records of such sales and purchases and shall report all such
- 29 sales and purchases on a quarterly basis on forms and in such manner as
- 30 prescribed by the commission. No licensed retailer shall purchase in the
- 31 aggregate more than three hundred dollars of alcoholic liquor as allowed

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- 1 under this section in any calendar year. Nothing in this section shall
- 2 prohibit the sale or exchange among collectors of commemorative bottles
- 3 or uniquely designed decanters which contain alcoholic liquor.
- 4 Sec. 24. Section 53-178, Reissue Revised Statutes of Nebraska, is
- 5 amended to read:
- 6 53-178 Except in the case of hotels and clubs, no alcoholic liquor
- 7 shall be <u>manufactured or sold</u> at retail <u>or wholesale</u> upon any premises
- 8 which have any access which leads from such premises to any other portion
- 9 of the same building or structure used for dwelling or lodging purposes_T
- 10 and which is permitted to be used or kept accessible for use by the
- 11 public. This section does provision shall not prevent any connection
- 12 between such premises and such other portion of the building or structure
- 13 which is used only by the licensee or his or her , his family and
- 14 personal guests.
- 15 Sec. 25. Section 53-187, Reissue Revised Statutes of Nebraska, is
- 16 amended to read:
- 17 53-187 No nonbeverage user shall sell, give away, or otherwise
- 18 dispose of any alcoholic liquor, purchased under his or her license as
- 19 such nonbeverage user, in any form fit for beverage purposes. Any
- 20 nonbeverage user who <u>violates</u> shall <u>violate</u> the provisions of this
- 21 section shall pay to the commission, for the use of the General Fund, the
- 22 sum of three two dollars and seventy-five ten cents for each gallon of
- 23 alcoholic liquor so diverted, and in addition thereto shall be subject to
- 24 the penalties provided in section 53-1,100.
- 25 Sec. 26. Section 53-1,100, Reissue Revised Statutes of Nebraska, is
- 26 amended to read:
- 53-1,100 (1) Any person (\underline{a} 1) who manufactures, imports alcoholic
- 28 <u>liquor</u> for distribution as a wholesaler, or distributes or sells
- 29 alcoholic liquor at any place within the state without having first
- 30 obtained a valid license to do so under the Nebraska Liquor Control Act,
- 31 (b) who manufactures alcoholic liquor other than spirits within the state

- 1 without having first obtained a valid license to do so under the act, (c
- 2 2) who makes any false statement or otherwise violates any of the
- 3 provisions of the act in obtaining any license under the act, $(\underline{d} \ 3)$ who,
- 4 having obtained a license under the act, violates any of the provisions
- 5 of the act with respect to the manufacture, possession, distribution, or
- 6 sale of alcoholic liquor or with respect to the maintenance of the
- 7 licensed premises, or (e 4) who violates any other provision of the act
- 8 for which a penalty is not otherwise provided, shall for a first offense
- 9 be guilty of a Class IV misdemeanor and for a second or subsequent
- 10 offense shall be guilty of a Class II misdemeanor.
- 11 (2) Any person who manufactures spirits at any place within the
- 12 <u>state without having first obtained a valid license to do so under the</u>
- 13 act shall be guilty of a Class I misdemeanor for a first offense and a
- 14 Class IV felony for a second or subsequent offense.
- 15 (3) Each day any person engages in business as a manufacturer,
- 16 wholesaler, or retailer in violation of the act shall constitute a
- 17 separate offense.
- 18 (4) In any prosecution in which a person is charged with an offense
- 19 arising out of the failure to obtain a valid license as provided in
- 20 subdivision (1)(a) or (b) or subsection (2) of this section, evidence of
- 21 the failure of the accused to produce such license upon demand shall
- 22 constitute prima facie proof that a license has not been issued by the
- 23 commission to such person.
- 24 Sec. 27. If any section in this act or any part of any section is
- 25 declared invalid or unconstitutional, the declaration shall not affect
- 26 the validity or constitutionality of the remaining portions.
- 27 Sec. 28. Original sections 53-103.09, 53-103.20, 53-103.41,
- 28 53-123.01, 53-124.11, 53-129, 53-168.06, 53-169, 53-171, 53-175, 53-178,
- 29 53-187, and 53-1,100, Reissue Revised Statutes of Nebraska, sections
- 30 53-123.14, 53-123.17, and 53-124.12, Revised Statutes Cumulative
- 31 Supplement, 2014, and sections 53-103.44, 53-123.15, 53-124, 53-124.01,

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- and 53-135, Revised Statutes Supplement, 2015, are repealed. 1
- 2 Sec. 29. The following section is outright repealed: Section
- 28-1479, Reissue Revised Statutes of Nebraska. 3
- Sec. 30. Since an emergency exists, this act takes effect when 4
- 5 passed and approved according to law.