

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB632

Chairperson: Senator Tyson Larson

Committee: General Affairs

Date of Hearing: February 13, 2017

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 632 contains a number of provisions intended to clarify and strengthen the Nebraska Liquor Control Commission's ability to regulate the alcohol industry. For example, LB 632 clarifies the definition of "bottle club," requires third-party shippers to report to the Commission when they are delivering out-of-state alcohol directly to someone in Nebraska, and grants the Commission the authority to suspend licenses for any second or subsequent offenses of any violations.

LB 632 clarifies that when the wholesaler delivers the beer from the craft brewer, that the beer must reach the wholesaler's warehouse (be at rest) and that the wholesaler is then responsible for paying the excise tax.

LB 632 requires that the craft brewery's licensee wholly own the craft brewery's satellite locations. LB 632 would also require that there be production at each of those five locations. Current retail satellite locations that are wholly owned or partially owned would be grandfathered in.

LB 632 addresses a couple issues regarding the Commission's ability to issue Special Designated Licenses (SDLs) by limiting SDLs to 12 per calendar year and requiring a showing of substantial need and undue hardship before the Commission may waive a statute when issuing SDLs. The Commission would not be able to waive the requirement that the SDL licensee go through the three-tier system.

LB 632 increases the growler size from 32 ounces to 64 ounces for Class C licenses with a bottling endorsement.

LB 632 includes the Music licensing Act to address issues that Liquor licensees are having with firms that claim to have copyrights to songs that may or may not have been performed at the licensee's venue.

Principal Introducer: _____

Senator Tyson Larson