

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 592

FINAL READING

Introduced by Briese, 41.

Read first time January 23, 2019

Committee: General Affairs

1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend
2 sections 53-103.13 and 53-123.13, Reissue Revised Statutes of
3 Nebraska, and section 53-123.11, Revised Statutes Cumulative
4 Supplement, 2018; to redefine a term; to change provisions relating
5 to farm wineries; and to repeal the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 53-103.13, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 53-103.13 Farm winery means any enterprise which produces and sells
4 wines produced from grapes, other fruit, or other suitable agricultural
5 products of which at least sixty ~~seventy-five~~ percent of the finished
6 product is grown in this state or which meets the requirements of section
7 53-123.13.

8 Sec. 2. Section 53-123.11, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 53-123.11 (1) A farm winery license shall entitle the holder to:

11 (a) Sell wines produced at the farm winery onsite at wholesale and
12 retail and to sell wines produced at the farm winery at off-premises
13 sites holding the appropriate retail license;

14 (b) Sell wines produced at the farm winery at retail for consumption
15 on the premises;

16 (c) ~~(e)(i)~~ Permit a customer to remove one unsealed bottle of wine
17 for consumption off the premises. The licensee or his or her agent shall
18 (i) ~~(A)~~ securely reseal such bottle and place the bottle in a bag
19 designed so that it is visibly apparent that the resealed bottle of wine
20 has not been opened or tampered with and (ii) ~~(B)~~ provide a dated receipt
21 to the customer and attach to such bag a copy of the dated receipt for
22 the resealed bottle of wine.~~(ii)~~ If the resealed bottle of wine is
23 transported in a motor vehicle, it must be placed in the trunk of the
24 motor vehicle or the area behind the last upright seat of such motor
25 vehicle if the area is not normally occupied by the driver or a passenger
26 and the motor vehicle is not equipped with a trunk;

27 (d) Ship wines produced at the farm winery by common carrier and
28 sold at retail to recipients in and outside the State of Nebraska, if the
29 output of such farm winery for each calendar year as reported to the
30 commission by December 31 of each year does not exceed thirty thousand
31 gallons. In the event such amount exceeds thirty thousand gallons, the

1 farm winery shall be required to use a licensed wholesaler to distribute
2 its wines for the following calendar year, except that this requirement
3 shall not apply to wines produced and sold onsite at the farm winery
4 pursuant to subdivision (1)(a) of this section;

5 (e) Allow sampling and sale of the wine at the farm winery and at
6 four ~~one~~ branch outlets ~~outlet~~ in the state in reasonable amounts;

7 (f) Sell wines produced at the farm winery to other Nebraska farm
8 winery licensees, in bulk, bottled, labeled, or unlabeled, in accordance
9 with 27 C.F.R. 24.308, 27 C.F.R. 24.309, and 27 C.F.R. 24.314, as such
10 regulations existed on January 1, 2008;

11 (g) Purchase distilled spirits from licensed microdistilleries in
12 Nebraska, in bulk or bottled, made entirely from Nebraska-licensed farm
13 winery wine to be used in the production of fortified wine at the
14 purchasing licensed farm winery; and

15 (h) Store and warehouse products produced at the farm winery in a
16 designated, secure, offsite storage facility if the holder of the farm
17 winery license notifies the commission of the location of the facility
18 and maintains, at the farm winery and at the facility, a separate
19 perpetual inventory of the product stored at the facility. Consumption of
20 alcoholic liquor at the facility is strictly prohibited.

21 (2) No farm winery shall manufacture wine in excess of fifty
22 thousand gallons per year.

23 (3) A farm winery may manufacture and sell hard cider on its
24 licensed premises. A farm winery shall not otherwise distribute the hard
25 cider it manufactures except by sale to a wholesaler licensed under the
26 Nebraska Liquor Control Act.

27 (4) A holder of a farm winery license may obtain a special
28 designated license pursuant to section 53-124.11.

29 (5) A holder of a farm winery license may obtain an annual catering
30 license pursuant to section 53-124.12.

31 Sec. 3. Section 53-123.13, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 53-123.13 (1) If the operator of a farm winery is unable to produce
3 or purchase sixty ~~seventy-five~~ percent of the grapes, fruit, or other
4 suitable agricultural products used in the farm winery from within the
5 state due to natural disaster which causes substantial loss to the
6 Nebraska-grown crop, such operator may petition the commission to waive
7 the sixty-percent ~~seventy-five-percent~~ requirement prescribed in section
8 53-103.13 for one year.

9 (2) It shall be within the discretion of the commission to waive the
10 sixty-percent ~~seventy-five-percent~~ requirement taking into consideration
11 the availability of products used in farm wineries in this area and the
12 ability of such operator to produce wine from products that are abundant
13 within the state.

14 (3) If the operator of a farm winery is granted a waiver, any
15 product purchased as concentrated juice from grapes or other fruits from
16 outside of Nebraska, when reconstituted from concentrate, may not exceed
17 in total volume along with other products purchased the total percentage
18 allowed by the waiver.

19 (4) Any product purchased under the waiver or as part of the forty
20 ~~twenty-five~~ percent of allowable product purchased that is not Nebraska-
21 grown for the production of wine shall not exceed the forty ~~twenty-five~~
22 percent volume allowed under state law if made from concentrated grapes
23 or other fruit, when reconstituted. The concentrate shall not be reduced
24 to less than twenty-two degrees Brix in accordance with 27 C.F.R. 24.180.

25 Sec. 4. Original sections 53-103.13 and 53-123.13, Reissue Revised
26 Statutes of Nebraska, and section 53-123.11, Revised Statutes Cumulative
27 Supplement, 2018, are repealed.