

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 274

FINAL READING
(SECOND)

Introduced by Lowe, 37; Brewer, 43.

Read first time January 12, 2021

Committee: General Affairs

1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend
2 sections 53-103.22 and 53-178.01, Reissue Revised Statutes of
3 Nebraska, and sections 53-101, 53-103, 53-123, 53-123.04, 53-123.11,
4 53-123.14, 53-123.16, 53-124, 53-124.13, and 53-134, Revised
5 Statutes Cumulative Supplement, 2020; to define and redefine terms;
6 to provide for a gallonage tax; to authorize ready-to-drink
7 cocktails as prescribed; to provide for a promotional farmers market
8 special designated license; to provide for a fee; to provide for a
9 permit; to provide powers and duties; to authorize alcohol sales to
10 persons within a motor vehicle as prescribed; to harmonize
11 provisions; to provide operative dates; to repeal the original
12 sections; and to declare an emergency.
13 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 53-101, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 53-101 Sections 53-101 to 53-1,122 and sections 3, 4, 6, 7, 13, and
4 14 of this act shall be known and may be cited as the Nebraska Liquor
5 Control Act.

6 Sec. 2. Section 53-103, Revised Statutes Cumulative Supplement,
7 2020, is amended to read:

8 53-103 For purposes of the Nebraska Liquor Control Act, the
9 definitions found in sections 53-103.01 to 53-103.47 and section 3 and 4
10 of this act apply.

11 Sec. 3. Farmers market means any common facility or area where
12 producers or growers gather on a regular, recurring basis to sell fruits,
13 vegetables, meats, and other farm products directly to consumers.

14 Sec. 4. Ready-to-drink cocktail means a beverage or confection
15 containing spirits in an original package which contains twelve and one-
16 half percent or less alcohol by volume.

17 Sec. 5. Section 53-103.22, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 53-103.22 Microdistillery means a distillery located in Nebraska
20 that is licensed to distill liquor on the premises of the distillery
21 licensee and produces one hundred ~~ten~~ thousand or fewer gallons of liquor
22 annually.

23 Sec. 6. (1) Notwithstanding any other provision of the Nebraska
24 Liquor Control Act, for the purpose of raising revenue, a tax is imposed
25 upon the privilege of engaging in business as a manufacturer or a
26 wholesaler of ready-to-drink cocktails at a rate of ninety-five cents per
27 gallon. The gallonage tax imposed by this section shall be imposed only
28 on alcoholic liquor upon which a federal excise tax is imposed.

29 (2) Manufacturers or wholesalers of ready-to-drink cocktails shall
30 be exempt from the payment of the gallonage tax imposed by this section
31 on such products upon satisfactory proof, including bills of lading

1 furnished to the commission by affidavit or otherwise as the commission
2 may require, that such ready-to-drink cocktails were manufactured in this
3 state but shipped out of this state for sale and consumption outside this
4 state.

5 (3) The gallonage tax imposed by this section shall be in addition
6 to all other occupation or privilege taxes imposed by this state or by
7 any municipal corporation or political subdivision thereof.

8 (4) The commission shall collect the gallonage tax on ready-to-drink
9 cocktails and shall account for and remit to the State Treasurer at least
10 once each week all money collected pursuant to this section. If any
11 spirits manufactured in or shipped into this state are sold to a licensed
12 manufacturer or wholesaler of this state to be used solely as an
13 ingredient in the manufacture of ready-to-drink cocktails for human
14 consumption, the tax imposed upon such manufacturer or wholesaler shall
15 be reduced by the amount of the taxes which have been paid as to such
16 spirits so used under the Nebraska Liquor Control Act. The net proceeds
17 of all revenue arising under this section shall be credited to the
18 General Fund.

19 Sec. 7. The commission may adopt and promulgate rules and
20 regulations pertaining to the production and sale of ready-to-drink
21 cocktails.

22 Sec. 8. Section 53-123, Revised Statutes Cumulative Supplement,
23 2020, is amended to read:

24 53-123 Licenses issued by the commission shall be of the following
25 types: (1) Manufacturer's license; (2) alcoholic liquor wholesale
26 license, except beer; (3) beer wholesale license; (4) retail license; (5)
27 railroad license; (6) airline license; (7) boat license; (8) nonbeverage
28 user's license; (9) farm winery license; (10) craft brewery license; (11)
29 shipping license; (12) special designated license; (13) catering license;
30 (14) microdistillery license; (15) entertainment district license; (16)
31 pedal-pub vehicle license; (17) bottle club license;—and (18) special

1 party bus license; and (19) promotional farmers market special designated
2 license.

3 Sec. 9. Section 53-123.04, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

5 53-123.04 (1) A retail license shall allow the licensee to sell and
6 offer for sale at retail either in the original package or otherwise, as
7 prescribed in the retail license, on the premises specified in the retail
8 license or the entertainment district license or on the premises where
9 catering is occurring, alcoholic liquor or beer for use or consumption
10 but not for resale in any form except as provided in section 53-175.

11 (2) Nothing in the Nebraska Liquor Control Act shall prohibit a
12 holder of a Class D license from allowing the sampling of tax-paid wine
13 for consumption on the premises by such licensee or his or her employees
14 in cooperation with a licensed wholesaler in the manner prescribed by the
15 commission.

16 (3)(a) A restaurant holding a license to sell alcoholic liquor at
17 retail for consumption on the licensed premises may permit a customer to
18 remove one unsealed bottle of wine for consumption off the premises if
19 the customer has purchased a full-course meal and consumed a portion of
20 the bottle of wine with such full-course meal on the licensed premises.
21 The licensee or his or her agent shall (i) securely reseal such bottle
22 and place the bottle in a bag designed so that it is visibly apparent
23 that the resealed bottle of wine has not been opened or tampered with and
24 (ii) provide a dated receipt to the customer and attach to such bag a
25 copy of the dated receipt for the resealed bottle of wine and the full-
26 course meal.

27 (b) If the resealed bottle of wine is transported in a motor
28 vehicle, it must be placed in the trunk of the motor vehicle or the area
29 behind the last upright seat of such motor vehicle if the area is not
30 normally occupied by the driver or a passenger and the motor vehicle is
31 not equipped with a trunk.

1 (c) For purposes of this subsection, full-course meal means a
2 diversified selection of food which is ordinarily consumed with the use
3 of tableware and cannot conveniently be consumed while standing or
4 walking.

5 (4) The holder of a Class C liquor license as described in
6 subdivision (6)(a)(iii) of section 53-124 may sell alcoholic liquor not
7 in the original package, such as a mixed drink or cocktail, to a person
8 twenty-one years of age or older for consumption off the premises if (a)
9 the alcoholic liquor is (i) not partially consumed and (ii) in a labeled
10 and sealed container with a tamper-evident lid, cap, or seal, as approved
11 by the commission, and (b) for alcoholic liquor transported in a motor
12 vehicle, the alcoholic liquor is placed in the trunk of the motor vehicle
13 or the area behind the last upright seat of such motor vehicle if the
14 area is not normally occupied by the driver or a passenger and the motor
15 vehicle is not equipped with a trunk.

16 (5) The holder of a Class I liquor license as described in
17 subdivision (6)(a)(v) of section 53-124 may sell alcoholic liquor not in
18 the original package, such as a mixed drink or cocktail, to a person
19 twenty-one years of age or older for consumption off the premises if (a)
20 the alcoholic liquor is (i) not partially consumed, (ii) in a labeled and
21 sealed container with a tamper-evident lid, cap, or seal, as approved by
22 the commission, and (iii) purchased along with food, and (b) for
23 alcoholic liquor transported in a motor vehicle, the alcoholic liquor is
24 placed in the trunk of the motor vehicle or the area behind the last
25 upright seat of such motor vehicle if the area is not normally occupied
26 by the driver or a passenger and the motor vehicle is not equipped with a
27 trunk.

28 (6) A licensee intending to sell alcoholic liquor in the manner
29 authorized under subsections (4) and (5) of this section shall provide
30 notice of such intention to the commission during initial licensure or
31 upon the licensee's annual renewal.

1 Sec. 10. Section 53-123.11, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 53-123.11 (1) A farm winery license shall entitle the holder to:

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

7 (b) Sell wines produced at the farm winery at retail for consumption
8 on the premises as designated pursuant to section 53-123.12;

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

20 (d) Ship wines produced at the farm winery by common carrier and
21 sold at retail to recipients in and outside the State of Nebraska, if the
22 output of such farm winery for each calendar year as reported to the
23 commission by December 31 of each year does not exceed thirty thousand
24 gallons. In the event such amount exceeds thirty thousand gallons, the
25 farm winery shall be required to use a licensed wholesaler to distribute
26 its wines for the following calendar year, except that this requirement
27 shall not apply to wines produced and sold onsite at the farm winery
28 pursuant to subdivision (1)(a) of this section;

29 (e) Allow sampling and sale of the wine at the farm winery and at
30 four branch outlets in the state in reasonable amounts;

31 (f) Sell wines produced at the farm winery to other Nebraska farm

1 winery licensees, in bulk, bottled, labeled, or unlabeled, in accordance
2 with 27 C.F.R. 24.308, 27 C.F.R. 24.309, and 27 C.F.R. 24.314, as such
3 regulations existed on January 1, 2008;

4 (g) Purchase distilled spirits from licensed microdistilleries in
5 Nebraska, in bulk or bottled, made entirely from Nebraska-licensed farm
6 winery wine to be used in the production of fortified wine at the
7 purchasing licensed farm winery;~~and~~

8 (h) Store and warehouse products produced at the farm winery in a
9 designated, secure, offsite storage facility if the holder of the farm
10 winery license notifies the commission of the location of the facility
11 and maintains, at the farm winery and at the facility, a separate
12 perpetual inventory of the product stored at the facility. Consumption of
13 alcoholic liquor at the facility is strictly prohibited; ~~and -~~

14 (i) Sell alcoholic liquor authorized under a farm winery license not
15 in its original package, such as sangria or wine slushies, to a person
16 twenty-one years of age or older for consumption off the premises if (i)
17 the alcoholic liquor is (A) not partially consumed and (B) in a labeled
18 and sealed container with a tamper-evident lid, cap, or seal, as approved
19 by the commission, and (ii) for alcoholic liquor transported in a motor
20 vehicle, the alcoholic liquor is placed in the trunk of the motor vehicle
21 or the area behind the last upright seat of such motor vehicle if the
22 area is not normally occupied by the driver or a passenger and the motor
23 vehicle is not equipped with a trunk. A farm winery which sells alcoholic
24 liquor authorized under a farm winery license not in its original package
25 for consumption off the premises shall provide notice to the commission
26 during a farm winery licensee's initial licensure or at the time of the
27 annual renewal of such license regarding such sales.

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

30 (3) A farm winery may manufacture and sell hard cider on its
31 licensed premises. A farm winery shall not otherwise distribute the hard

1 cider it manufactures except by sale to a wholesaler licensed under the
2 Nebraska Liquor Control Act.

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

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

7 (6) A holder of a farm winery license may obtain a promotional
8 farmers market special designated license pursuant to section 13 of this
9 act.

10 Sec. 11. Section 53-123.14, Revised Statutes Cumulative Supplement,
11 2020, 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 the production of a maximum of twenty
15 thousand barrels of beer per year in the aggregate from all physical
16 locations comprising the licensed premises. A craft brewery may also sell
17 to beer wholesalers for sale and distribution to licensed retailers. A
18 craft brewery license issued pursuant to this section shall be the only
19 license required by the Nebraska Liquor Control Act for the manufacture
20 and retail sale of beer for consumption on or off the licensed premises,
21 except that the sale of any beer other than beer manufactured by the
22 craft brewery licensee, wine, or alcoholic liquor by the drink for
23 consumption on the licensed premises shall require the appropriate retail
24 license. Any license held by the operator of a craft brewery shall be
25 subject to the act. A holder of a craft brewery license may obtain an
26 annual catering license pursuant to section 53-124.12, a special
27 designated license pursuant to section 53-124.11, ~~or~~ an entertainment
28 district license pursuant to section 53-123.17, or a promotional farmers
29 market special designated license pursuant to section 13 of this act. For
30 purposes of this section, licensed premises may include up to five
31 separate physical locations.

1 Sec. 12. Section 53-123.16, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 53-123.16 Any person who operates a microdistillery shall obtain a
4 license pursuant to the Nebraska Liquor Control Act. A license to operate
5 a microdistillery shall permit the licensee to produce on the premises a
6 maximum of one hundred ~~ten~~ thousand gallons of liquor per year. A
7 microdistillery may also sell to licensed wholesalers for sale and
8 distribution to licensed retailers. A microdistillery license issued
9 pursuant to this section shall be the only license required by the
10 Nebraska Liquor Control Act for the manufacture and retail sale of
11 microdistilled product for consumption on or off the licensed premises,
12 except that the sale of any beer, wine, or alcoholic liquor, other than
13 microdistilled product manufactured by the microdistillery licensee, by
14 the drink for consumption on the microdistillery premises shall require
15 the appropriate retail license. Any license held by the operator of a
16 microdistillery shall be subject to the act. A holder of a
17 microdistillery license may obtain an annual catering license pursuant to
18 section 53-124.12, a special designated license pursuant to section
19 53-124.11, ~~or~~ an entertainment district license pursuant to section
20 53-123.17, or a promotional farmers market special designated license
21 pursuant to section 13 of this act. The commission may, upon the
22 conditions it determines, grant to any microdistillery licensed under
23 this section a special license authorizing the microdistillery to
24 purchase and to import, from such persons as are entitled to sell the
25 same, wines or spirits to be used solely as ingredients and for the sole
26 purpose of blending with and flavoring microdistillery products as a part
27 of the microdistillation process.

28 Sec. 13. (1) The commission may issue a promotional farmers market
29 special designated license to a craft brewery, microdistillery, or farm
30 winery licensee to sell or dispense alcoholic liquor, which the holder is
31 licensed to produce, at a farmers market outside of the manufacturer's

1 designated premises under conditions specified in this section.

2 (2) A promotional farmers market special designated license issued
3 under this section shall not be used without approval of the local
4 governing body pursuant to section 14 of this act.

5 (3) The craft brewery, microdistillery, or farm winery licensee
6 seeking a promotional farmers market special designated license under
7 this section shall file an application on such forms as the commission
8 may prescribe. Such forms shall contain, along with other information as
9 required by the commission, (a) the name of the applicant, (b) the
10 premises for which the applicant is licensed, identified by street and
11 number if practicable and, if not, by some other appropriate description
12 which definitely locates the premises, (c) sufficient evidence that the
13 licensee will carry on the activities and business authorized by the
14 license on behalf of the licensee, and not as the agent of any other
15 person, group, organization, or corporation, for profit or not for
16 profit, (d) a statement of the type of activity to be carried on during
17 the time period for which a promotional farmers market special designated
18 license is requested, (e) sufficient evidence that the activity will be
19 supervised by persons or managers who are agents of and directly
20 responsible to the holder of the promotional farmers market special
21 designated license, and (f) information on a safety and security plan for
22 use of the promotional farmers market special designated license as
23 required by the commission.

24 (4) There shall be a fee of fifteen dollars for a promotional
25 farmers market special designated license payable to the commission and
26 submitted with the application. The applicant shall be exempt from the
27 provisions of the Nebraska Liquor Control Act requiring an application or
28 renewal fee and the provisions of the act requiring the expiration of
29 forty-five days from the time the application is received by the
30 commission prior to the issuance of a license, if granted by the
31 commission. The promotional farmers market special designated license

1 shall be issued for the same period and may be renewed in the same manner
2 as the craft brewery, microdistillery, or farm winery license.

3 (5) If the applicant meets the requirements of this section, a
4 promotional farmers market special designated license shall be granted
5 and issued by the commission for use by the holder of the promotional
6 farmers market special designated license. All statutory provisions and
7 rules and regulations of the commission that apply to a retail license
8 shall apply to the holder of a promotional farmers market special
9 designated license with the exception of such statutory provisions and
10 rules and regulations of the commission so designated by the commission
11 and stated upon the issued promotional farmers market special designated
12 license, except that the commission may not designate exemption from
13 sections 53-180 to 53-180.07. The decision of the commission shall be
14 final. If the applicant does not qualify for a promotional farmers market
15 special designated license, the application shall be denied by the
16 commission.

17 (6) A promotional farmers market special designated license issued
18 by the commission shall be mailed or delivered to the licensee. The
19 licensee shall comply with any rules and regulations adopted and
20 promulgated by the commission. Violation of any provision of this section
21 or section 14 of this act may be cause to revoke, cancel, or suspend the
22 promotional farmers market special designated license or the class of
23 retail license issued under section 53-124 held by such licensee.

24 Sec. 14. (1) The holder of a promotional farmers market special
25 designated license issued under section 13 of this act may apply to the
26 local governing body of a city, village, or county for a permit to use
27 the promotional farmers market special designated license to sell or
28 dispense alcoholic liquor, which the holder is licensed to produce, for
29 consumption at a farmers market located within the jurisdiction of the
30 local governing body.

31 (2) A permit may be issued to the licensee for the duration of an

1 annual farmers market without reapplying to the local governing body. The
2 local governing body may issue multiple permits to a licensee for each
3 separate farmers market location within the jurisdiction of the local
4 governing body.

5 (3) For purposes of this section, local governing body means the
6 governing body of the city or village within which the farmers market for
7 which the permit is requested is located or, if such farmers market is
8 not within the corporate limits of a city or village, local governing
9 body means the governing body of the county within which the farmers
10 market for which the permit is requested is located.

11 (4) No permit shall be granted under this section without the
12 approval of the local governing body and the submission of a safety and
13 security plan containing such information as the local governing body may
14 require for use of the promotional farmers market special designated
15 license. The local governing body may establish criteria for approving or
16 denying a permit. The local governing body may designate an agent to
17 determine whether a permit is to be approved or denied. Such agent shall
18 follow criteria established by the local governing body in making the
19 determination. The determination of the agent shall be considered the
20 determination of the local governing body unless otherwise provided by
21 the local governing body.

22 (5) The decision of the local governing body shall be final. If the
23 applicant does not qualify for a permit to use the promotional farmers
24 market special designated license to sell or dispense alcoholic liquor,
25 including beer, for consumption at a farmers market, the permit shall be
26 denied.

27 (6) The city, village, or county clerk shall deliver confirmation of
28 the permit to use the promotional farmers market special designated
29 license to sell or dispense alcoholic liquor, including beer, for
30 consumption at a farmers market to the licensee upon receipt of any fee
31 or tax imposed by such city, village, or county.

1 (7) The local governing body shall electronically notify the
2 commission within five days after the authorization of any permit under
3 this section for the holder of a promotional farmers market special
4 designated license.

5 Sec. 15. Section 53-124, Revised Statutes Cumulative Supplement,
6 2020, is amended to read:

7 53-124 (1) At the time application is made to the commission for a
8 license of any type, the applicant shall pay the fee provided in section
9 53-124.01 and, if the applicant is an individual, provide the applicant's
10 social security number. The commission shall issue the types of licenses
11 described in this section.

12 (2) There shall be an airline license, a boat license, a special
13 party bus license, a pedal-pub vehicle license, and a railroad license.
14 The commission shall charge one dollar for each duplicate of an airline
15 license, a special party bus license, a pedal-pub vehicle license, or a
16 railroad license.

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

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

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

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

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

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

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

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

27 (b) For purposes of this subsection, daily capacity means the
28 average daily barrel production for the previous twelve months of
29 manufacturing operation. If no such basis for comparison exists, the
30 manufacturing licensee shall pay in advance for the first year's
31 operation a fee of five hundred dollars.

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

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

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

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

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

10 (iii) Class C: Alcoholic liquor, for consumption on the premises and
11 off the premises, sales in original packages only except as provided in
12 subsection (4) of section 53-123.04. If a Class C license is held by a
13 nonprofit corporation, it shall be restricted to consumption on the
14 premises only. A Class C license may have a sampling designation
15 restricting consumption on the premises to sampling, but such designation
16 shall not affect sales for consumption off the premises under such
17 license;

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

22 (v) Class I: Alcoholic liquor, for consumption on the premises
23 except as provided in subsection (5) of section 53-123.04; and

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

29 (b) All applicable license fees shall be paid by the applicant or
30 licensee directly to the city or village treasurer in the case of
31 premises located inside the corporate limits of a city or village and

1 directly to the county treasurer in the case of premises located outside
2 the corporate limits of a city or village.

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

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

10 (9) There shall be a bottle club license. All applicable license
11 fees shall be paid by the applicant or licensee directly to the city or
12 village treasurer in the case of premises located inside the corporate
13 limits of a city or village and directly to the county treasurer in the
14 case of premises located outside the corporate limits of a city or
15 village.

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

28 Sec. 16. Section 53-124.13, Revised Statutes Cumulative Supplement,
29 2020, is amended to read:

30 53-124.13 (1) The holder of a catering license may deliver, sell, or
31 dispense alcoholic liquor, including beer, for consumption at premises

1 designated in a special designated license issued pursuant to section
2 53-124.11.

3 (2) The holder of the catering license shall file an application
4 seeking a special designated license for the event. The application shall
5 be filed at least twenty-one days prior to the event for which the
6 special designated license is requested unless the local governing body
7 has established an expedited process for such applications, in which case
8 the application shall be filed at least twelve days prior to the event.
9 In addition to the information required by subsection (3) of section
10 53-124.11, the applicant shall inform the commission of (a) the time of
11 the event, (b) the name of the person or organization requesting the
12 applicant's services, (c) the opening and closing dates of the event, and
13 (d) any other information the commission or local governing body deems
14 necessary. A holder of a catering license shall not cater an event unless
15 such licensee receives a special designated license for the event, except
16 that the holder of a catering license who also holds a promotional
17 farmers market special designated license under section 13 of this act
18 may cater a farmers market as prescribed in section 14 of this act.

19 (3) If the organization for which the holder of a catering license
20 is catering is a nonprofit organization exempted from the payment of
21 federal income taxes, such organization may share with such licensee a
22 part or all of the proceeds from the sale of any alcoholic liquor sold
23 and dispensed pursuant to this section.

24 (4) For purposes of this section, local governing body means the
25 governing body of the city or village in which the event will be held or,
26 if the event will not be held within the corporate limits of a city or
27 village, the governing body of the county in which such event will be
28 held.

29 (5) Only the holder of a special designated license or employees of
30 such licensee may dispense alcoholic liquor at the event which is being
31 catered. Violation of any provision of this section or section 53-124.12

1 or any rules or regulations adopted and promulgated pursuant to such
2 sections occurring during an event being catered by such licensee may be
3 cause to revoke, cancel, or suspend the class of retail license issued
4 under section 53-124 held by such licensee.

5 Sec. 17. Section 53-134, Revised Statutes Cumulative Supplement,
6 2020, is amended to read:

7 53-134 The local governing body of any city or village with respect
8 to licenses within its corporate limits and the local governing body of
9 any county with respect to licenses not within the corporate limits of
10 any city or village but within the county shall have the following
11 powers, functions, and duties with respect to retail, bottle club, craft
12 brewery, microdistillery, and entertainment district licenses:

13 (1) To cancel or revoke for cause retail, craft brewery,
14 microdistillery, or entertainment district licenses to sell or dispense
15 alcoholic liquor or bottle club licenses, issued to persons for premises
16 within its jurisdiction, subject to the right of appeal to the
17 commission;

18 (2) To enter or to authorize any law enforcement officer to enter at
19 any time upon any premises licensed under the Nebraska Liquor Control Act
20 to determine whether any provision of the act, any rule or regulation
21 adopted and promulgated pursuant to the act, or any ordinance,
22 resolution, rule, or regulation adopted by the local governing body has
23 been or is being violated and at such time examine the premises of such
24 licensee in connection with such determination. Any law enforcement
25 officer who determines that any provision of the act, any rule or
26 regulation adopted and promulgated pursuant to the act, or any ordinance,
27 resolution, rule, or regulation adopted by the local governing body has
28 been or is being violated shall report such violation in writing to the
29 executive director of the commission (a) within thirty days after
30 determining that such violation has occurred, (b) within thirty days
31 after the conclusion of an ongoing police investigation, or (c) within

1 thirty days after the verdict in a prosecution related to such an ongoing
2 police investigation if the prosecuting attorney determines that
3 reporting such violation prior to the verdict would jeopardize such
4 prosecution, whichever is later;

5 (3) To receive a signed complaint from any citizen within its
6 jurisdiction that any provision of the act, any rule or regulation
7 adopted and promulgated pursuant to the act, or any ordinance,
8 resolution, rule, or regulation relating to alcoholic liquor has been or
9 is being violated and to act upon such complaints in the manner provided
10 in the act;

11 (4) To receive retail license fees, bottle club license fees, craft
12 brewery license fees, and microdistillery license fees as provided in
13 sections 53-124 and 53-124.01 and entertainment district license fees as
14 provided in section 53-123.17 and pay the same, after the license has
15 been delivered to the applicant, to the city, village, or county
16 treasurer;

17 (5) To examine or cause to be examined any applicant or any retail
18 licensee, bottle club licensee, craft brewery licensee, microdistillery
19 licensee, or entertainment district licensee upon whom notice of
20 cancellation or revocation has been served as provided in the act, to
21 examine or cause to be examined the books and records of any applicant or
22 licensee except as otherwise provided for bottle club licensees in
23 section 53-123.08, and to hear testimony and to take proof for its
24 information in the performance of its duties. For purposes of obtaining
25 any of the information desired, the local governing body may authorize
26 its agent or attorney to act on its behalf;

27 (6) To cancel or revoke on its own motion any license if, upon the
28 same notice and hearing as provided in section 53-134.04, it determines
29 that the licensee has violated any of the provisions of the act or any
30 valid and subsisting ordinance, resolution, rule, or regulation duly
31 enacted, adopted, and promulgated relating to alcoholic liquor. Such

1 order of cancellation or revocation may be appealed to the commission
2 within thirty days after the date of the order by filing a notice of
3 appeal with the commission. The commission shall handle the appeal in the
4 manner provided for hearing on an application in section 53-133;

5 (7) Upon receipt from the commission of the notice and copy of
6 application as provided in section 53-131, to fix a time and place for a
7 hearing at which the local governing body shall receive evidence, either
8 orally or by affidavit from the applicant and any other person, bearing
9 upon the propriety of the issuance of a license. Notice of the time and
10 place of such hearing shall be published in a legal newspaper in or of
11 general circulation in such city, village, or county one time not less
12 than seven and not more than fourteen days before the time of the
13 hearing. Such notice shall include, but not be limited to, a statement
14 that all persons desiring to give evidence before the local governing
15 body in support of or in protest against the issuance of such license may
16 do so at the time of the hearing. Such hearing shall be held not more
17 than forty-five days after the date of receipt of the notice from the
18 commission, and after such hearing the local governing body shall cause
19 to be recorded in the minute record of their proceedings a resolution
20 recommending either issuance or refusal of such license. The clerk of
21 such city, village, or county shall mail to the commission by first-class
22 mail, postage prepaid, a copy of the resolution which shall state the
23 cost of the published notice, except that failure to comply with this
24 provision shall not void any license issued by the commission. If the
25 commission refuses to issue such a license, the cost of publication of
26 notice shall be paid by the commission from the security for costs;~~and~~

27 (8) To review and authorize an application by a retail, bottle club,
28 craft brewery, farm winery, or microdistillery licensee for a temporary
29 expansion of its licensed premises within the jurisdiction of the local
30 governing body to an immediately adjacent area owned or leased by the
31 licensee or to an immediately adjacent street, parking lot, or alley, not

1 to exceed fifty days for calendar year 2020 and, for each calendar year
2 thereafter, not to exceed fifteen days per calendar year, as provided in
3 sections 53-123.12 and 53-129; and -

4 (9) To review and authorize an application by a craft brewery, farm
5 winery, or microdistillery licensee that holds a promotional farmers
6 market special designated license for a permit to use such promotional
7 farmers market special designated license to sell or dispense alcoholic
8 liquor, which the holder is licensed to produce, at a farmers market
9 within the jurisdiction of the local governing body as provided in
10 section 14 of this act. The local governing body shall electronically
11 notify the commission within five days after authorization of any permit
12 pursuant to this subdivision.

13 Sec. 18. Section 53-178.01, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 53-178.01 (1) No licensee shall sell alcoholic liquor, including
16 beer, to any person for consumption off the licensed premises while such
17 person is in any manner within any motor vehicle except as provided in
18 subsection (2) of this section.

19 (2)(a) A business holding a Class B, Class C, Class D, Class L,
20 Class Y, or Class Z license to sell alcoholic liquor at retail may sell
21 alcoholic liquor authorized under such license to a person twenty-one
22 years of age or older within a motor vehicle if (a) the alcoholic liquor
23 is sold along with food, (b) the motor vehicle is in park, and (c) the
24 alcoholic liquor is placed in the trunk of the motor vehicle or the area
25 behind the last upright seat of such motor vehicle if the area is not
26 normally occupied by the driver or a passenger and the motor vehicle is
27 not equipped with a trunk.

28 (b) A licensee which sells alcoholic liquor in the manner authorized
29 under this section shall provide notice to the commission during initial
30 licensure or at the time of the licensee's annual renewal regarding such
31 sales.

1 (3) This section shall not apply to sales to handicapped persons in
2 a motor vehicle displaying a current handicapped license plate issued by
3 the Department of Motor Vehicles.

4 Sec. 19. Section 6 of this act becomes operative on July 1, 2021.
5 The other sections of this act become operative on their effective date.

6 Sec. 20. Original sections 53-103.22 and 53-178.01, Reissue Revised
7 Statutes of Nebraska, and sections 53-101, 53-103, 53-123, 53-123.04,
8 53-123.11, 53-123.14, 53-123.16, 53-124, 53-124.13, and 53-134, Revised
9 Statutes Cumulative Supplement, 2020, are repealed.

10 Sec. 21. Since an emergency exists, this act takes effect when
11 passed and approved according to law.