

AMENDMENTS TO LB376

(Amendments to Standing Committee amendments, AM336)

Introduced by Lowe, 37.

1 1. Strike section 12 and insert the following new sections:

2 Sec. 10. Section 53-123.16, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 53-123.16 (1) Any person who operates a microdistillery shall
5 obtain a license pursuant to the Nebraska Liquor Control Act. A license
6 to operate a microdistillery shall permit the licensee to produce a
7 maximum of one hundred thousand gallons of liquor per year in the
8 aggregate from all physical locations comprising the licensed premises.
9 For purposes of this section, licensed premises may include up to five
10 separate physical locations. A microdistillery may also sell to licensed
11 wholesalers for sale and distribution to licensed retailers. A
12 microdistillery license issued pursuant to this section shall be the only
13 license required by the Nebraska Liquor Control Act for the manufacture
14 and retail sale of microdistilled product for consumption on or off the
15 licensed premises, except that the sale of any beer, wine, or alcoholic
16 liquor, other than microdistilled product manufactured by the
17 microdistillery licensee, by the drink for consumption on the
18 microdistillery premises shall require the appropriate retail license.
19 Any license held by the operator of a microdistillery shall be subject to
20 the act. A holder of a microdistillery license may obtain an annual
21 catering license pursuant to section 53-124.12, a special designated
22 license pursuant to section 53-124.11, an entertainment district license
23 pursuant to section 53-123.17, or a promotional farmers market special
24 designated license pursuant to section 53-124.16. The commission may,
25 upon the conditions it determines, grant to any microdistillery licensed
26 under this section a special license authorizing the microdistillery to

1 purchase and to import, from such persons as are entitled to sell the
2 same, wines or spirits to be used solely as ingredients and for the sole
3 purpose of blending with and flavoring microdistillery products as a part
4 of the microdistillation process.

5 (2) A holder of a microdistillery license may directly sell for
6 resale up to five hundred gallons per calendar year of microdistilled
7 products produced at its licensed premises directly to retail licensees
8 located in the State of Nebraska which hold the appropriate retail
9 license if the holder of the microdistillery license:

10 (a) Self-distributes its microdistilled products utilizing only
11 persons employed by the microdistillery licensee; and

12 (b) Complies with all relevant statutes, rules, and regulations that
13 apply to Nebraska wholesalers regarding distribution of microdistilled
14 products.

15 (3) A holder of a microdistillery license may store and warehouse
16 tax paid products produced on such licensee's licensed premises in a
17 designated, secure, offsite storage facility if the holder of the
18 microdistillery license receives authorization from the commission and
19 notifies the commission of the location of the storage facility and
20 maintains, at the microdistillery and at the storage facility, a separate
21 perpetual inventory of the product stored at the storage facility.
22 Consumption of alcoholic liquor at the storage facility is strictly
23 prohibited.

24 (4) The commission may adopt and promulgate rules and regulations
25 relating to the distribution rights of microdistillery licensees.

26 Sec. 13. Section 53-169, Revised Statutes Cumulative Supplement,
27 2022, is amended to read:

28 53-169 (1) Except as provided in subsection (2) of this section, no
29 manufacturer or wholesaler shall directly or indirectly: (a) Pay for any
30 license to sell alcoholic liquor at retail or advance, furnish, lend, or
31 give money for payment of such license; (b) purchase or become the owner

1 of any note, mortgage, or other evidence of indebtedness of such licensee
2 or any form of security therefor; (c) be interested in the ownership,
3 conduct, or operation of the business of any licensee authorized to sell
4 alcoholic liquor at retail; or (d) be interested directly or indirectly
5 or as owner, part owner, lessee, or lessor thereof in any premises upon
6 which alcoholic liquor is sold at retail.

7 (2) This section does 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 except as provided in subsection (2) of section 53-123.14, the
13 Nebraska Liquor Control Act shall not be construed to permit the holder
14 of a craft brewery license or of a manufacturer's license issued pursuant
15 to section 53-123.01 to engage in the wholesale distribution of beer. The
16 holder of a microdistillery license shall have the privileges and duties
17 listed in section 53-123.16 with respect to the manufacture of alcoholic
18 liquor, and except as provided in subsection (2) of section 53-123.16,
19 the Nebraska Liquor Control Act shall not be construed to permit the
20 holder of a microdistillery license to engage in the wholesale
21 distribution of alcoholic liquor.

22 (3) It shall not be a violation of this section for a wholesaler or
23 manufacturer or the agent of a wholesaler or manufacturer to enter into a
24 sponsorship or advertising agreement with a licensee, organization, or
25 political subdivision of the State of Nebraska pursuant to section 7 of
26 this act.

27 Sec. 14. Section 53-171, Revised Statutes Cumulative Supplement,
28 2022, is amended to read:

29 53-171 (1) No person licensed as a wholesaler of alcoholic liquor
30 shall be permitted to receive any retail license at the same time. No
31 person licensed as a manufacturer shall be permitted to receive any

1 retail license at the same time except as set forth in subsection (2) of
2 section 53-123.01 with respect to the manufacture, distribution, and
3 retail sale of beer, and the Nebraska Liquor Control Act shall not be
4 construed to permit the holder of a manufacturer's license issued
5 pursuant to such subsection to engage in the wholesale distribution of
6 alcoholic liquor. No person licensed as a retailer of alcoholic liquor
7 shall be permitted to receive any manufacturer's or wholesale license at
8 the same time.

9 (2) This section shall not apply to the holder of a farm winery
10 license. The holder of a craft brewery license shall have the privileges
11 and duties listed in section 53-123.14 with respect to the manufacture,
12 distribution, and retail sale of beer, and except as provided in
13 subsection (2) of section 53-123.14, the Nebraska Liquor Control Act
14 shall not be construed to permit the holder of a craft brewery license to
15 engage in the wholesale distribution of beer. The holder of a
16 microdistillery license shall have the privileges and duties listed in
17 section 53-123.16 with respect to the manufacture of alcoholic liquor,
18 and except as provided in subsection (2) of section 53-123.16, the
19 Nebraska Liquor Control Act shall not be construed to permit the holder
20 of a microdistillery license to engage in the wholesale distribution of
21 alcoholic liquor.

22 2. Renumber the remaining sections and correct the repealer
23 accordingly.