

AMENDMENTS TO LB452

Introduced by General Affairs.

1 1. Strike original section 1 and insert the following new section:

2 Section 1. Section 53-123.16, Revised Statutes Cumulative
3 Supplement, 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
27 purchase and to import, from such persons as are entitled to sell the

1 same, wines or spirits to be used solely as ingredients and for the sole
2 purpose of blending with and flavoring microdistillery products as a part
3 of the microdistillation process.

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

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

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

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

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