

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB478

Hearing Date: Monday February 03, 2025
Committee On: General Affairs
Introducer: General Affairs
One Liner: Provide for an auction permit and a wholesalers shipping license and change other provisions of the Nebraska Liquor Control Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:
Aye: 8 Senators Andersen, Cavanaugh, J., Clouse, DeKay, Holdcroft, Quick, Rountree, Storm
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:
Senator Rick Holdcroft
Hobert Rupe

Representing:
Opening Presenter
Nebraska Liquor Control Commission

Opponents:
Vanessa Silke

Representing:
Nebraska Craft Brewers Guild

Neutral:
Justin Brady

Representing:
Nebraska Liquor Wholesalers Association

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 478 provides for changes to the Liquor Control Act. This bill was introduced by the General Affairs Committee, on behalf of the Liquor Control Commission.

Below is a summary of each of the changes in LB 478, followed by the section-by-section summary.

Allowing Wholesalers to Obtain Shipping Licenses:

Currently, out of state wholesalers ship alcoholic products from their wholly owned entities to their licensed wholesale entities in Nebraska. These out of state wholesalers do not currently have the ability to obtain licenses. The Commission would like these out of state Wholesalers to obtain a shipping license, so the Commission would have the ability to know what alcoholic products are shipped between these wholesale entities and to ensure all taxes are being paid.



Updating Brand Registration System - Exempting Out of State Retailers from Brand Registration and Creating a Renewal Fee:

The Nebraska Liquor Control Commission is implementing a Brand Registration System as outlined in Nebraska Revised Statute 53-165.01. This system requires all manufacturers, Nebraska craft breweries, microdistilleries, and farm wineries, who hold a shipping license, to register their brands. The Commission may charge an applicable renewal fee not to exceed \$30, prescribed and furnished by the Commission.

In many states without a renewal procedure, products no longer available in the state remain in the database for years. This section is also amended to add that a retailer who is licensed within or outside Nebraska and who holds a shipping license to ship alcoholic liquor from another state directly to a consumer in this state pursuant to subsection (6) of section 53-123.15 is exempt from filing the report described in this section.

Requiring Auctions of Alcohol to Obtain a Permit:

The Commission is requesting statutory authority to permit auctions and auction companies, "Auction Houses" to sell alcoholic beverages if they are part of the auction. The Commission would create the rules and regulations of this permit process and anticipates a nominal fee for this permit.

Providing Technical Updates to the Liquor Control Act:

The Commission has adopted and implemented a new agency wide computer managed system called POSSE. In anticipation of that adoption, technical updates were implemented. Since implementation, the Commission has identified some technical changes that needed to be made.

These changes include removing paper filing language due to the implementation of electronic forms, expanding the definition of Legal Newspaper to permit a newspaper in state wide circulation, and reducing the required numbered sets of finger prints.

SECTION BY SECTION SUMMARY:

Section 1: Amends Section 53-101 to incorporate section 2 of this bill to the Liquor Control Act.

Section 2: Creates a new section of law, allowing the Liquor Control Commission to issue a permit to an auction house to sell liquor at auction and allows the Commission to create rules and regulations surrounding issuance of these permits. States the auction permit is required when the sale at auction of alcohol was previously sold to a retailer that is no longer in operation or the alcohol that was previously been sold at retail to a consumer in the State of Nebraska in a private collection. Requires auction houses to notify the Commission of all auctions and provide inventories of the product to be sold.

Section 3: Amends section 53-123.15 by creating a new subsection (4), allowing the Commission to issue shipping licenses to wholesalers located outside the State of Nebraska. Limits a licensee to ship alcohol only to a licensed Nebraska wholesaler. Creates a new wholesaler license fee in section 53-124 and 53-124.01. The fees are collected by the Commission and remitted to the State Treasurer for credit to the General Fund.

Section 4: Amends section 53-124 subsection two, striking the fee charge of the production of duplicate license. Reprints of licenses can now be printed electronically by the licensee. Subsection seven is amended to include wholesale licenses as described in section 53-123.5.

Section 5: Amends section 53-124.01, subsection twelve, including the wholesaler license with a fee of one thousand dollars.

Section 6: Amends section 53-130, subsection one, removing the duplicate and in-writing due application filing



language due to the implementation of electronic forms.

Section 7: Amends section 53-131.01, reducing the required number of sets of fingerprints from two to one.

Section 8: Amends section 53-134, section seven, to expand the definition of legal newsletter to include statewide circulation.

Section 9: Amends section 53-162 updating subsections of 53-123.15, to reflect the new subsection added, as referenced in Section 3 above.

Section 10: Amends section 53-165.01, creating a new subsection two, establishing a renewal period starting ninety days prior to July 1 of each year and allows the Commission to charge a renewal fee not to exceed thirty dollars. A new subsection four, exempts a retailer who is licensed within or outside Nebraska and holds a shipping license to ship alcoholic liquor from another state directly to a consumer in this state, from filing the report as referenced in 53-165.01 (1)(a).

Section 11: Amends section 53-304 updating subsections of 53-123.15, to reflect the new subsection added, as referenced in Section 3 above.

Section 12: Repealer section.

Rick Holdcroft, Chairperson

