

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1235

Introduced by Lowe, 37.

Read first time January 20, 2022

Committee: General Affairs

- 1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend
- 2 section 53-123.14, Reissue Revised Statutes of Nebraska; to define a
- 3 term; to change provisions relating to craft breweries; to allow for
- 4 self-distribution of beer under certain circumstances; and to repeal
- 5 the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 53-123.14, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 53-123.14 (1) Any person who operates a craft brewery shall obtain
4 a license pursuant to the Nebraska Liquor Control Act. A license to
5 operate a craft brewery shall permit the production of a maximum of
6 twenty thousand barrels of beer per year in the aggregate from all
7 physical locations comprising the licensed premises. A craft brewery may
8 also sell to beer wholesalers for sale and distribution to licensed
9 retailers. A craft brewery license issued pursuant to this section shall
10 be the only license required by the Nebraska Liquor Control Act for the
11 manufacture and retail sale of beer for consumption on or off the
12 licensed premises, except that the sale of any beer other than beer
13 manufactured by the craft brewery licensee, wine, or alcoholic liquor by
14 the drink for consumption on the licensed premises shall require the
15 appropriate retail license. Any license held by the operator of a craft
16 brewery shall be subject to the act. A holder of a craft brewery license
17 may obtain an annual catering license pursuant to section 53-124.12, a
18 special designated license pursuant to section 53-124.11, an
19 entertainment district license pursuant to section 53-123.17, or a
20 promotional farmers market special designated license pursuant to section
21 53-124.16. For purposes of this section, licensed premises may include up
22 to five separate physical locations.

23 (2) Any brewer producing in aggregate less than five hundred barrels
24 of beer in a calendar year, whether directly or indirectly and whether
25 produced inside or outside Nebraska, may self-distribute its own beer
26 brewed at its licensed brewery premises to a retail licensee if that
27 brewer:

28 (a) Has not entered into a distribution agreement with a licensed
29 Nebraska wholesaler for the territory where such retail licensee is
30 located and has relinquished any retail license authorizing the brewer to
31 sell any alcohol not manufactured by the brewer;

1 (b) Self-distributes its beer utilizing only persons exclusively and
2 solely employed by the brewer in vehicles exclusively and solely owned or
3 leased by the brewer;

4 (c) Has obtained a Nebraska beer wholesale license, notwithstanding
5 sections 53-169, 53-169.01, and 53-171, after certifying under oath that
6 it has produced in aggregate less than five hundred barrels of beer in
7 such calendar year; and

8 (d) Complies with all relevant statutes, rules, and regulations that
9 apply to Nebraska beer wholesalers regarding distribution of such beer.

10 (3) A brewer obtaining a beer wholesale license to self-distribute
11 beer in accordance with subsection (2) of this section may only self-
12 distribute beer brewed at its licensed brewery premises and shall not
13 distribute beer produced by any other licensee.

14 (4) If a self-distributing brewer's production exceeds five hundred
15 barrels of beer prior to the end of a calendar year, the brewer may
16 continue to self-distribute its beer through December 31 of such year but
17 must relinquish its beer wholesale license thereafter and cease self-
18 distribution and distribute through another licensed Nebraska beer
19 wholesaler.

20 (5) For purposes of this section, brewer means:

21 (a) A holder of a craft brewery license or a license to produce or
22 manufacture beer;

23 (b) An officer, director, agent, or employee of such license holder;
24 and

25 (c) An affiliate of such license holder, regardless of whether such
26 affiliation is corporate or by management, direction, or control.

27 Sec. 2. Original section 53-123.14, Reissue Revised Statutes of
28 Nebraska, is repealed.