

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 375

Introduced by Lowe, 37.

Read first time January 12, 2023

Committee: General Affairs

1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend
2 section 53-175, Reissue Revised Statutes of Nebraska, and sections
3 53-101, 53-123.14, and 53-123.16, Revised Statutes Cumulative
4 Supplement, 2022; to define terms; to allow certain licensees to
5 purchase alcoholic liquor for resale from a gas station, grocery
6 store, liquor store, or similar establishment under certain
7 circumstances; to provide powers and duties to the Nebraska Liquor
8 Control Commission; to harmonize provisions; and to repeal the
9 original sections.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 53-101, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 53-101 Sections 53-101 to 53-1,122 and section 4 of this act shall
4 be known and may be cited as the Nebraska Liquor Control Act.

5 Sec. 2. Section 53-123.14, Revised Statutes Cumulative Supplement,
6 2022, is amended to read:

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

27 (2)(a) A holder of a craft brewery license may directly sell for
28 resale up to two hundred fifty barrels per calendar year of beer produced
29 at its licensed premises directly to retail licensees located in the
30 State of Nebraska which hold the appropriate retail license if the holder
31 of the craft brewery license:

1 (i) Only self-distributes its beer in a territory in which the craft
2 brewery licensee has not entered into a distribution agreement with a
3 licensed Nebraska wholesaler for the territory where such retail licensee
4 is located;

5 (ii) Self-distributes its beer utilizing only persons exclusively
6 and solely employed by the craft brewery licensee in vehicles exclusively
7 and solely owned or leased by the craft brewery licensee; and

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

11 (b) A holder of a craft brewery license self-distributing beer in
12 accordance with subdivision (2)(a) of this section may only self-
13 distribute beer brewed at its licensed brewery premises and shall not
14 distribute beer produced by any other licensee.

15 (3) A holder of a craft brewery license that also holds the
16 appropriate retail license for the retail sale of wine, alcoholic liquor,
17 or beer not manufactured by the craft brewery licensee for consumption on
18 the licensed premises may purchase alcoholic liquor products from a gas
19 station, grocery store, liquor store, or similar establishment as
20 provided in section 4 of this act.

21 (4) ~~(3)~~ A holder of a craft brewery license may store and warehouse
22 tax-paid products produced on such licensee's licensed premises in a
23 designated, secure, offsite storage facility if the holder of the craft
24 brewery license receives authorization from the commission and notifies
25 the commission of the location of the storage facility and maintains, at
26 the craft brewery and at the storage facility, a separate perpetual
27 inventory of the product stored at the storage facility. Consumption of
28 alcoholic liquor at the storage facility is strictly prohibited.

29 (5) ~~(4)~~ The commission may adopt and promulgate rules and
30 regulations pertaining to distribution rights of craft brewery licensees.

31 Sec. 3. Section 53-123.16, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 53-123.16 (1) Any person who operates a microdistillery shall
3 obtain a license pursuant to the Nebraska Liquor Control Act. A license
4 to operate a microdistillery shall permit the licensee to produce a
5 maximum of one hundred thousand gallons of liquor per year in the
6 aggregate from all physical locations comprising the licensed premises.
7 For purposes of this section, licensed premises may include up to five
8 separate physical locations. A microdistillery may also sell to licensed
9 wholesalers for sale and distribution to licensed retailers.

10 (2) A microdistillery license issued pursuant to this section shall
11 be the only license required by the Nebraska Liquor Control Act for the
12 manufacture and retail sale of microdistilled product for consumption on
13 or off the licensed premises, except that the sale of any beer, wine, or
14 alcoholic liquor, other than microdistilled product manufactured by the
15 microdistillery licensee, by the drink for consumption on the
16 microdistillery premises shall require the appropriate retail license.

17 (3) A microdistillery licensee which also holds the appropriate
18 retail license for the retail sale of beer, wine, or alcoholic liquor not
19 manufactured by the microdistillery licensee for consumption on the
20 licensed premises may purchase alcoholic liquor products from a gas
21 station, grocery store, liquor store, or similar establishment as
22 provided in section 4 of this act.

23 (4) Any license held by the operator of a microdistillery shall be
24 subject to the act.

25 (5) A holder of a microdistillery license may obtain an annual
26 catering license pursuant to section 53-124.12, a special designated
27 license pursuant to section 53-124.11, an entertainment district license
28 pursuant to section 53-123.17, or a promotional farmers market special
29 designated license pursuant to section 53-124.16.

30 (6) The commission may, upon the conditions it determines, grant to
31 any microdistillery licensed under this section a special license

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

6 Sec. 4. (1) For purposes of this section:

7 (a) Alcoholic liquor product means: (i) A single case or pack of
8 beer, ready-to-drink cocktails, or ciders; (ii) a single bottle of wine;
9 or (iii) a single bottle of alcoholic liquor;

10 (b) Appropriate retail license means a Class A, Class C, or Class I
11 license as described in section 53-124; and

12 (c) Eligible licensee means any of the following which holds an
13 appropriate retail license: A craft brewery or microdistillery licensee
14 or a bar or restaurant.

15 (2) An eligible licensee may purchase up to five alcoholic liquor
16 products per week for resale and consumption, in a manner authorized
17 under such licensee's appropriate retail license, directly from a gas
18 station, grocery store, liquor store, or similar establishment which
19 holds a license to sell alcoholic liquor at retail for consumption off
20 the licensed premises.

21 (3) An eligible licensee purchasing alcoholic liquor products in the
22 manner authorized by this section shall notify the commission, in a form
23 and manner prescribed by the commission, within twenty-four hours after
24 making such purchase.

25 (4) The commission may adopt and promulgate rules and regulations to
26 carry out this section.

27 Sec. 5. Section 53-175, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 53-175 It shall be unlawful for any person to purchase, receive,
30 acquire, accept, or possess any alcoholic liquor acquired from any person
31 other than one duly licensed to handle alcoholic liquor under the

1 Nebraska Liquor Control Act unless within the specific exemptions or
2 exceptions provided in the act. Except as provided in section 4 of this
3 act, no ~~Ne~~ licensed retailer of alcoholic liquor shall purchase such
4 liquor other than from a licensed wholesaler who has his or her place of
5 business within this state. Nothing in this section shall prohibit the
6 sale or exchange among collectors of commemorative bottles or uniquely
7 designed decanters which contain alcoholic liquor.

8 Sec. 6. Original section 53-175, Reissue Revised Statutes of
9 Nebraska, and sections 53-101, 53-123.14, and 53-123.16, Revised Statutes
10 Cumulative Supplement, 2022, are repealed.