

LEGISLATIVE BILL 274

Approved by the Governor May 25, 2021

Corrected Copy

Introduced by Lowe, 37; Brewer, 43.

A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend sections 53-103.22 and 53-178.01, Reissue Revised Statutes of Nebraska, and sections 53-101, 53-103, 53-123, 53-123.04, 53-123.11, 53-123.14, 53-123.16, 53-124, 53-124.13, and 53-134, Revised Statutes Cumulative Supplement, 2020; to define and redefine terms; to provide for a gallonage tax; to authorize ready-to-drink cocktails as prescribed; to provide for a promotional farmers market special designated license; to provide for a fee; to provide for a permit; to provide powers and duties; to authorize alcohol sales to persons within a motor vehicle as prescribed; to harmonize provisions; to provide operative dates; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 53-101, Revised Statutes Cumulative Supplement, 2020, is amended to read:

53-101 Sections 53-101 to 53-1,122 and sections 3, 4, 6, 7, 13, and 14 of this act shall be known and may be cited as the Nebraska Liquor Control Act.

Sec. 2. Section 53-103, Revised Statutes Cumulative Supplement, 2020, is amended to read:

53-103 For purposes of the Nebraska Liquor Control Act, the definitions found in sections 53-103.01 to 53-103.47 and section 3 and 4 of this act apply.

Sec. 3. Farmers market means any common facility or area where producers or growers gather on a regular, recurring basis to sell fruits, vegetables, meats, and other farm products directly to consumers.

Sec. 4. Ready-to-drink cocktail means a beverage or confection containing spirits in an original package which contains twelve and one-half percent or less alcohol by volume.

Sec. 5. Section 53-103.22, Reissue Revised Statutes of Nebraska, is amended to read:

53-103.22 Microdistillery means a distillery located in Nebraska that is licensed to distill liquor on the premises of the distillery licensee and produces one hundred ten thousand or fewer gallons of liquor annually.

Sec. 6. (1) Notwithstanding any other provision of the Nebraska Liquor Control Act, for the purpose of raising revenue, a tax is imposed upon the privilege of engaging in business as a manufacturer or a wholesaler of ready-to-drink cocktails at a rate of ninety-five cents per gallon. The gallonage tax imposed by this section shall be imposed only on alcoholic liquor upon which a federal excise tax is imposed.

(2) Manufacturers or wholesalers of ready-to-drink cocktails shall be exempt from the payment of the gallonage tax imposed by this section on such products upon satisfactory proof, including bills of lading furnished to the commission by affidavit or otherwise as the commission may require, that such ready-to-drink cocktails were manufactured in this state but shipped out of this state for sale and consumption outside this state.

(3) The gallonage tax imposed by this section shall be in addition to all other occupation or privilege taxes imposed by this state or by any municipal corporation or political subdivision thereof.

(4) The commission shall collect the gallonage tax on ready-to-drink cocktails and shall account for and remit to the State Treasurer at least once each week all money collected pursuant to this section. If any spirits manufactured in or shipped into this state are sold to a licensed manufacturer or wholesaler of this state to be used solely as an ingredient in the manufacture of ready-to-drink cocktails for human consumption, the tax imposed upon such manufacturer or wholesaler shall be reduced by the amount of the taxes which have been paid as to such spirits so used under the Nebraska Liquor Control Act. The net proceeds of all revenue arising under this section shall be credited to the General Fund.

Sec. 7. The commission may adopt and promulgate rules and regulations pertaining to the production and sale of ready-to-drink cocktails.

Sec. 8. Section 53-123, Revised Statutes Cumulative Supplement, 2020, is amended to read:

53-123 Licenses issued by the commission shall be of the following types: (1) Manufacturer's license; (2) alcoholic liquor wholesale license, except beer; (3) beer wholesale license; (4) retail license; (5) railroad license; (6) airline license; (7) boat license; (8) nonbeverage user's license; (9) farm winery license; (10) craft brewery license; (11) shipping license; (12) special designated license; (13) catering license; (14) microdistillery license; (15) entertainment district license; (16) pedal-pub vehicle license; (17) bottle club license; ~~and~~ (18) special party bus license; and (19) promotional farmers market special designated license.

Sec. 9. Section 53-123.04, Revised Statutes Cumulative Supplement, 2020,

is amended to read:

53-123.04 (1) A retail license shall allow the licensee to sell and offer for sale at retail either in the original package or otherwise, as prescribed in the retail license, on the premises specified in the retail license or the entertainment district license or on the premises where catering is occurring, alcoholic liquor or beer for use or consumption but not for resale in any form except as provided in section 53-175.

(2) Nothing in the Nebraska Liquor Control Act shall prohibit a holder of a Class D license from allowing the sampling of tax-paid wine for consumption on the premises by such licensee or his or her employees in cooperation with a licensed wholesaler in the manner prescribed by the commission.

(3)(a) A restaurant holding a license to sell alcoholic liquor at retail for consumption on the licensed premises may permit a customer to remove one unsealed bottle of wine for consumption off the premises if the customer has purchased a full-course meal and consumed a portion of the bottle of wine with such full-course meal on the licensed premises. The licensee or his or her agent shall (i) securely reseal such bottle and place the bottle in a bag designed so that it is visibly apparent that the resealed bottle of wine has not been opened or tampered with and (ii) provide a dated receipt to the customer and attach to such bag a copy of the dated receipt for the resealed bottle of wine and the full-course meal.

(b) If the resealed bottle of wine is transported in a motor vehicle, it must be placed in the trunk of the motor vehicle or the area behind the last upright seat of such motor vehicle if the area is not normally occupied by the driver or a passenger and the motor vehicle is not equipped with a trunk.

(c) For purposes of this subsection, full-course meal means a diversified selection of food which is ordinarily consumed with the use of tableware and cannot conveniently be consumed while standing or walking.

(4) The holder of a Class C liquor license as described in subdivision (6)(a)(iii) of section 53-124 may sell alcoholic liquor not in the original package, such as a mixed drink or cocktail, to a person twenty-one years of age or older for consumption off the premises if (a) the alcoholic liquor is (i) not partially consumed and (ii) in a labeled and sealed container with a tamper-evident lid, cap, or seal, as approved by the commission, and (b) for alcoholic liquor transported in a motor vehicle, the alcoholic liquor is placed in the trunk of the motor vehicle or the area behind the last upright seat of such motor vehicle if the area is not normally occupied by the driver or a passenger and the motor vehicle is not equipped with a trunk.

(5) The holder of a Class I liquor license as described in subdivision (6)(a)(v) of section 53-124 may sell alcoholic liquor not in the original package, such as a mixed drink or cocktail, to a person twenty-one years of age or older for consumption off the premises if (a) the alcoholic liquor is (i) not partially consumed, (ii) in a labeled and sealed container with a tamper-evident lid, cap, or seal, as approved by the commission, and (iii) purchased along with food, and (b) for alcoholic liquor transported in a motor vehicle, the alcoholic liquor is placed in the trunk of the motor vehicle or the area behind the last upright seat of such motor vehicle if the area is not normally occupied by the driver or a passenger and the motor vehicle is not equipped with a trunk.

(6) A licensee intending to sell alcoholic liquor in the manner authorized under subsections (4) and (5) of this section shall provide notice of such intention to the commission during initial licensure or upon the licensee's annual renewal.

Sec. 10. Section 53-123.11, Revised Statutes Cumulative Supplement, 2020, is amended to read:

53-123.11 (1) A farm winery license shall entitle the holder to:

(a) Sell wines produced at the farm winery onsite at wholesale and retail and to sell wines produced at the farm winery at off-premises sites holding the appropriate retail license;

(b) Sell wines produced at the farm winery at retail for consumption on the premises as designated pursuant to section 53-123.12;

(c) Permit a customer to remove one unsealed bottle of wine for consumption off the premises. The licensee or his or her agent shall (i) securely reseal such bottle and place the bottle in a bag designed so that it is visibly apparent that the resealed bottle of wine has not been opened or tampered with and (ii) provide a dated receipt to the customer and attach to such bag a copy of the dated receipt for the resealed bottle of wine. If the resealed bottle of wine is transported in a motor vehicle, it must be placed in the trunk of the motor vehicle or the area behind the last upright seat of such motor vehicle if the area is not normally occupied by the driver or a passenger and the motor vehicle is not equipped with a trunk;

(d) Ship wines produced at the farm winery by common carrier and sold at retail to recipients in and outside the State of Nebraska, if the output of such farm winery for each calendar year as reported to the commission by December 31 of each year does not exceed thirty thousand gallons. In the event such amount exceeds thirty thousand gallons, the farm winery shall be required to use a licensed wholesaler to distribute its wines for the following calendar year, except that this requirement shall not apply to wines produced and sold onsite at the farm winery pursuant to subdivision (1)(a) of this section;

(e) Allow sampling and sale of the wine at the farm winery and at four branch outlets in the state in reasonable amounts;

(f) Sell wines produced at the farm winery to other Nebraska farm winery licensees, in bulk, bottled, labeled, or unlabeled, in accordance with 27

C.F.R. 24.308, 27 C.F.R. 24.309, and 27 C.F.R. 24.314, as such regulations existed on January 1, 2008;

(g) Purchase distilled spirits from licensed microdistilleries in Nebraska, in bulk or bottled, made entirely from Nebraska-licensed farm winery wine to be used in the production of fortified wine at the purchasing licensed farm winery; ~~and~~

(h) Store and warehouse products produced at the farm winery in a designated, secure, offsite storage facility if the holder of the farm winery license notifies the commission of the location of the facility and maintains, at the farm winery and at the facility, a separate perpetual inventory of the product stored at the facility. Consumption of alcoholic liquor at the facility is strictly prohibited; ~~and -~~

(i) Sell alcoholic liquor authorized under a farm winery license not in its original package, such as sangria or wine slushies, to a person twenty-one years of age or older for consumption off the premises if (i) the alcoholic liquor is (A) not partially consumed and (B) in a labeled and sealed container with a tamper-evident lid, cap, or seal, as approved by the commission, and (ii) for alcoholic liquor transported in a motor vehicle, the alcoholic liquor is placed in the trunk of the motor vehicle or the area behind the last upright seat of such motor vehicle if the area is not normally occupied by the driver or a passenger and the motor vehicle is not equipped with a trunk. A farm winery which sells alcoholic liquor authorized under a farm winery license not in its original package for consumption off the premises shall provide notice to the commission during a farm winery licensee's initial licensure or at the time of the annual renewal of such license regarding such sales.

(2) No farm winery shall manufacture wine in excess of fifty thousand gallons per year.

(3) A farm winery may manufacture and sell hard cider on its licensed premises. A farm winery shall not otherwise distribute the hard cider it manufactures except by sale to a wholesaler licensed under the Nebraska Liquor Control Act.

(4) A holder of a farm winery license may obtain a special designated license pursuant to section 53-124.11.

(5) A holder of a farm winery license may obtain an annual catering license pursuant to section 53-124.12.

(6) A holder of a farm winery license may obtain a promotional farmers market special designated license pursuant to section 13 of this act.

Sec. 11. Section 53-123.14, Revised Statutes Cumulative Supplement, 2020, is amended to read:

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

Sec. 12. Section 53-123.16, Revised Statutes Cumulative Supplement, 2020, is amended to read:

53-123.16 Any person who operates a microdistillery shall obtain a license pursuant to the Nebraska Liquor Control Act. A license to operate a microdistillery shall permit the licensee to produce on the premises a maximum of one hundred ten ~~ten~~ thousand gallons of liquor per year. A microdistillery may also sell to licensed wholesalers for sale and distribution to licensed retailers. A microdistillery license issued pursuant to this section shall be the only license required by the Nebraska Liquor Control Act for the manufacture and retail sale of microdistilled product for consumption on or off the licensed premises, except that the sale of any beer, wine, or alcoholic liquor, other than microdistilled product manufactured by the microdistillery licensee, by the drink for consumption on the microdistillery premises shall require the appropriate retail license. Any license held by the operator of a microdistillery shall be subject to the act. A holder of a microdistillery license may obtain an annual catering license pursuant to section 53-124.12, a special designated license pursuant to section 53-124.11, ~~or an entertainment district license pursuant to section 53-123.17, or a promotional farmers market special designated license pursuant to section 13 of this act.~~ The commission may, upon the conditions it determines, grant to any microdistillery licensed under this section a special license authorizing the microdistillery to purchase and to import, from such persons as are entitled to sell the same, wines or spirits to be used solely as ingredients and for the sole purpose of blending with and flavoring microdistillery products as a part of the microdistillation process.

Sec. 13. (1) The commission may issue a promotional farmers market

special designated license to a craft brewery, microdistillery, or farm winery licensee to sell or dispense alcoholic liquor, which the holder is licensed to produce, at a farmers market outside of the manufacturer's designated premises under conditions specified in this section.

(2) A promotional farmers market special designated license issued under this section shall not be used without approval of the local governing body pursuant to section 14 of this act.

(3) The craft brewery, microdistillery, or farm winery licensee seeking a promotional farmers market special designated license under this section shall file an application on such forms as the commission may prescribe. Such forms shall contain, along with other information as required by the commission, (a) the name of the applicant, (b) the premises for which the applicant is licensed, identified by street and number if practicable and, if not, by some other appropriate description which definitely locates the premises, (c) sufficient evidence that the licensee will carry on the activities and business authorized by the license on behalf of the licensee, and not as the agent of any other person, group, organization, or corporation, for profit or not for profit, (d) a statement of the type of activity to be carried on during the time period for which a promotional farmers market special designated license is requested, (e) sufficient evidence that the activity will be supervised by persons or managers who are agents of and directly responsible to the holder of the promotional farmers market special designated license, and (f) information on a safety and security plan for use of the promotional farmers market special designated license as required by the commission.

(4) There shall be a fee of fifteen dollars for a promotional farmers market special designated license payable to the commission and submitted with the application. The applicant shall be exempt from the provisions of the Nebraska Liquor Control Act requiring an application or renewal fee and the provisions of the act requiring the expiration of forty-five days from the time the application is received by the commission prior to the issuance of a license, if granted by the commission. The promotional farmers market special designated license shall be issued for the same period and may be renewed in the same manner as the craft brewery, microdistillery, or farm winery license.

(5) If the applicant meets the requirements of this section, a promotional farmers market special designated license shall be granted and issued by the commission for use by the holder of the promotional farmers market special designated license. All statutory provisions and rules and regulations of the commission that apply to a retail license shall apply to the holder of a promotional farmers market special designated license with the exception of such statutory provisions and rules and regulations of the commission so designated by the commission and stated upon the issued promotional farmers market special designated license, except that the commission may not designate exemption from sections 53-180 to 53-180.07. The decision of the commission shall be final. If the applicant does not qualify for a promotional farmers market special designated license, the application shall be denied by the commission.

(6) A promotional farmers market special designated license issued by the commission shall be mailed or delivered to the licensee. The licensee shall comply with any rules and regulations adopted and promulgated by the commission. Violation of any provision of this section or section 14 of this act may be cause to revoke, cancel, or suspend the promotional farmers market special designated license or the class of retail license issued under section 53-124 held by such licensee.

Sec. 14. (1) The holder of a promotional farmers market special designated license issued under section 13 of this act may apply to the local governing body of a city, village, or county for a permit to use the promotional farmers market special designated license to sell or dispense alcoholic liquor, which the holder is licensed to produce, for consumption at a farmers market located within the jurisdiction of the local governing body.

(2) A permit may be issued to the licensee for the duration of an annual farmers market without reapplying to the local governing body. The local governing body may issue multiple permits to a licensee for each separate farmers market location within the jurisdiction of the local governing body.

(3) For purposes of this section, local governing body means the governing body of the city or village within which the farmers market for which the permit is requested is located or, if such farmers market is not within the corporate limits of a city or village, local governing body means the governing body of the county within which the farmers market for which the permit is requested is located.

(4) No permit shall be granted under this section without the approval of the local governing body and the submission of a safety and security plan containing such information as the local governing body may require for use of the promotional farmers market special designated license. The local governing body may establish criteria for approving or denying a permit. The local governing body may designate an agent to determine whether a permit is to be approved or denied. Such agent shall follow criteria established by the local governing body in making the determination. The determination of the agent shall be considered the determination of the local governing body unless otherwise provided by the local governing body.

(5) The decision of the local governing body shall be final. If the applicant does not qualify for a permit to use the promotional farmers market special designated license to sell or dispense alcoholic liquor, including beer, for consumption at a farmers market, the permit shall be denied.

(6) The city, village, or county clerk shall deliver confirmation of the permit to use the promotional farmers market special designated license to sell or dispense alcoholic liquor, including beer, for consumption at a farmers market to the licensee upon receipt of any fee or tax imposed by such city, village, or county.

(7) The local governing body shall electronically notify the commission within five days after the authorization of any permit under this section for the holder of a promotional farmers market special designated license.

Sec. 15. Section 53-124, Revised Statutes Cumulative Supplement, 2020, is amended to read:

53-124 (1) At the time application is made to the commission for a license of any type, the applicant shall pay the fee provided in section 53-124.01 and, if the applicant is an individual, provide the applicant's social security number. The commission shall issue the types of licenses described in this section.

(2) There shall be an airline license, a boat license, a special party bus license, a pedal-pub vehicle license, and a railroad license. The commission shall charge one dollar for each duplicate of an airline license, a special party bus license, a pedal-pub vehicle license, or a railroad license.

(3)(a) There shall be a manufacturer's license for alcohol and spirits, for beer, and for wine. The annual fee for a manufacturer's license for beer shall be based on the barrel daily capacity as follows:

- (i) 1 to 100 barrel daily capacity, or any part thereof, tier one;
- (ii) 100 to 150 barrel daily capacity, tier two;
- (iii) 150 to 200 barrel daily capacity, tier three;
- (iv) 200 to 300 barrel daily capacity, tier four;
- (v) 300 to 400 barrel daily capacity, tier five;
- (vi) 400 to 500 barrel daily capacity, tier six;
- (vii) 500 barrel daily capacity, or more, tier seven.

(b) For purposes of this subsection, daily capacity means the average daily barrel production for the previous twelve months of manufacturing operation. If no such basis for comparison exists, the manufacturing licensee shall pay in advance for the first year's operation a fee of five hundred dollars.

(4) There shall be five classes of nonbeverage users' licenses: Class 1, Class 2, Class 3, Class 4, and Class 5.

(5) In lieu of a manufacturer's, a retailer's, or a wholesaler's license, there shall be a license to operate issued for a craft brewery, a farm winery, or a microdistillery.

(6)(a) There shall be six classes of retail licenses:

(i) Class A: Beer only, for consumption on the premises;

(ii) Class B: Beer only, for consumption off the premises, sales in the original packages only;

(iii) Class C: Alcoholic liquor, for consumption on the premises and off the premises, sales in original packages only except as provided in subsection (4) of section 53-123.04. If a Class C license is held by a nonprofit corporation, it shall be restricted to consumption on the premises only. A Class C license may have a sampling designation restricting consumption on the premises to sampling, but such designation shall not affect sales for consumption off the premises under such license;

(iv) Class D: Alcoholic liquor, including beer, for consumption off the premises, sales in the original packages only, except as provided in subdivision (6)(a)(vi) of this section and subsection (2) of section 53-123.04;

(v) Class I: Alcoholic liquor, for consumption on the premises except as provided in subsection (5) of section 53-123.04; and

(vi) Class J: Alcoholic liquor, including beer, for consumption off the premises, sales in the original packages only, for a retail licensee whose annual gross revenue from the sale of alcohol does not exceed twenty percent of the licensee's total annual gross revenue from all retail sales.

(b) All applicable license fees shall be paid by the applicant or licensee directly to the city or village treasurer in the case of premises located inside the corporate limits of a city or village and directly to the county treasurer in the case of premises located outside the corporate limits of a city or village.

(7) There shall be four types of shipping licenses as described in section 53-123.15: Manufacturers, vintage wines, manufacture direct sales, and retail direct sales.

(8) There shall be two types of wholesale licenses: Alcoholic liquor and beer only. The annual fee shall be paid for the first and each additional wholesale place of business operated in this state by the same licensee and wholesaling the same product.

(9) There shall be a bottle club license. All applicable license fees shall be paid by the applicant or licensee directly to the city or village treasurer in the case of premises located inside the corporate limits of a city or village and directly to the county treasurer in the case of premises located outside the corporate limits of a city or village.

(10) The license year, unless otherwise provided in the Nebraska Liquor Control Act, shall commence on May 1 of each year and shall end on the following April 30, except that the license year for a Class C license shall commence on November 1 of each year and shall end on the following October 31. During the license year, no license shall be issued for a sum less than the amount of the annual license fee as fixed in section 53-124.01, regardless of the time when the application for such license has been made, except that (a)

when there is a purchase of an existing licensed business and a new license of the same class is issued or (b) upon the issuance of a new license for a location which has not been previously licensed, the license fee and occupation taxes shall be prorated on a quarterly basis as of the date of issuance.

Sec. 16. Section 53-124.13, Revised Statutes Cumulative Supplement, 2020, is amended to read:

53-124.13 (1) The holder of a catering license may deliver, sell, or dispense alcoholic liquor, including beer, for consumption at premises designated in a special designated license issued pursuant to section 53-124.11.

(2) The holder of the catering license shall file an application seeking a special designated license for the event. The application shall be filed at least twenty-one days prior to the event for which the special designated license is requested unless the local governing body has established an expedited process for such applications, in which case the application shall be filed at least twelve days prior to the event. In addition to the information required by subsection (3) of section 53-124.11, the applicant shall inform the commission of (a) the time of the event, (b) the name of the person or organization requesting the applicant's services, (c) the opening and closing dates of the event, and (d) any other information the commission or local governing body deems necessary. A holder of a catering license shall not cater an event unless such licensee receives a special designated license for the event, except that the holder of a catering license who also holds a promotional farmers market special designated license under section 13 of this act may cater a farmers market as prescribed in section 14 of this act.

(3) If the organization for which the holder of a catering license is catering is a nonprofit organization exempted from the payment of federal income taxes, such organization may share with such licensee a part or all of the proceeds from the sale of any alcoholic liquor sold and dispensed pursuant to this section.

(4) For purposes of this section, local governing body means the governing body of the city or village in which the event will be held or, if the event will not be held within the corporate limits of a city or village, the governing body of the county in which such event will be held.

(5) Only the holder of a special designated license or employees of such licensee may dispense alcoholic liquor at the event which is being catered. Violation of any provision of this section or section 53-124.12 or any rules or regulations adopted and promulgated pursuant to such sections occurring during an event being catered by such licensee may be cause to revoke, cancel, or suspend the class of retail license issued under section 53-124 held by such licensee.

Sec. 17. Section 53-134, Revised Statutes Cumulative Supplement, 2020, is amended to read:

53-134 The local governing body of any city or village with respect to licenses within its corporate limits and the local governing body of any county with respect to licenses not within the corporate limits of any city or village but within the county shall have the following powers, functions, and duties with respect to retail, bottle club, craft brewery, microdistillery, and entertainment district licenses:

(1) To cancel or revoke for cause retail, craft brewery, microdistillery, or entertainment district licenses to sell or dispense alcoholic liquor or bottle club licenses, issued to persons for premises within its jurisdiction, subject to the right of appeal to the commission;

(2) To enter or to authorize any law enforcement officer to enter at any time upon any premises licensed under the Nebraska Liquor Control Act to determine whether any provision of the act, any rule or regulation adopted and promulgated pursuant to the act, or any ordinance, resolution, rule, or regulation adopted by the local governing body has been or is being violated and at such time examine the premises of such licensee in connection with such determination. Any law enforcement officer who determines that any provision of the act, any rule or regulation adopted and promulgated pursuant to the act, or any ordinance, resolution, rule, or regulation adopted by the local governing body has been or is being violated shall report such violation in writing to the executive director of the commission (a) within thirty days after determining that such violation has occurred, (b) within thirty days after the conclusion of an ongoing police investigation, or (c) within thirty days after the verdict in a prosecution related to such an ongoing police investigation if the prosecuting attorney determines that reporting such violation prior to the verdict would jeopardize such prosecution, whichever is later;

(3) To receive a signed complaint from any citizen within its jurisdiction that any provision of the act, any rule or regulation adopted and promulgated pursuant to the act, or any ordinance, resolution, rule, or regulation relating to alcoholic liquor has been or is being violated and to act upon such complaints in the manner provided in the act;

(4) To receive retail license fees, bottle club license fees, craft brewery license fees, and microdistillery license fees as provided in sections 53-124 and 53-124.01 and entertainment district license fees as provided in section 53-123.17 and pay the same, after the license has been delivered to the applicant, to the city, village, or county treasurer;

(5) To examine or cause to be examined any applicant or any retail licensee, bottle club licensee, craft brewery licensee, microdistillery licensee, or entertainment district licensee upon whom notice of cancellation or revocation has been served as provided in the act, to examine or cause to be

examined the books and records of any applicant or licensee except as otherwise provided for bottle club licensees in section 53-123.08, and to hear testimony and to take proof for its information in the performance of its duties. For purposes of obtaining any of the information desired, the local governing body may authorize its agent or attorney to act on its behalf;

(6) To cancel or revoke on its own motion any license if, upon the same notice and hearing as provided in section 53-134.04, it determines that the licensee has violated any of the provisions of the act or any valid and subsisting ordinance, resolution, rule, or regulation duly enacted, adopted, and promulgated relating to alcoholic liquor. Such order of cancellation or revocation may be appealed to the commission within thirty days after the date of the order by filing a notice of appeal with the commission. The commission shall handle the appeal in the manner provided for hearing on an application in section 53-133;

(7) Upon receipt from the commission of the notice and copy of application as provided in section 53-131, to fix a time and place for a hearing at which the local governing body shall receive evidence, either orally or by affidavit from the applicant and any other person, bearing upon the propriety of the issuance of a license. Notice of the time and place of such hearing shall be published in a legal newspaper in or of general circulation in such city, village, or county one time not less than seven and not more than fourteen days before the time of the hearing. Such notice shall include, but not be limited to, a statement that all persons desiring to give evidence before the local governing body in support of or in protest against the issuance of such license may do so at the time of the hearing. Such hearing shall be held not more than forty-five days after the date of receipt of the notice from the commission, and after such hearing the local governing body shall cause to be recorded in the minute record of their proceedings a resolution recommending either issuance or refusal of such license. The clerk of such city, village, or county shall mail to the commission by first-class mail, postage prepaid, a copy of the resolution which shall state the cost of the published notice, except that failure to comply with this provision shall not void any license issued by the commission. If the commission refuses to issue such a license, the cost of publication of notice shall be paid by the commission from the security for costs; ~~and~~

(8) To review and authorize an application by a retail, bottle club, craft brewery, farm winery, or microdistillery licensee for a temporary expansion of its licensed premises within the jurisdiction of the local governing body to an immediately adjacent area owned or leased by the licensee or to an immediately adjacent street, parking lot, or alley, not to exceed fifty days for calendar year 2020 and, for each calendar year thereafter, not to exceed fifteen days per calendar year, as provided in sections 53-123.12 and 53-129; ~~and -~~

(9) To review and authorize an application by a craft brewery, farm winery, or microdistillery licensee that holds a promotional farmers market special designated license for a permit to use such promotional farmers market special designated license to sell or dispense alcoholic liquor, which the holder is licensed to produce, at a farmers market within the jurisdiction of the local governing body as provided in section 14 of this act. The local governing body shall electronically notify the commission within five days after authorization of any permit pursuant to this subdivision.

Sec. 18. Section 53-178.01, Reissue Revised Statutes of Nebraska, is amended to read:

53-178.01 (1) No licensee shall sell alcoholic liquor, including beer, to any person for consumption off the licensed premises while such person is in any manner within any motor vehicle except as provided in subsection (2) of this section.

(2)(a) A business holding a Class B, Class C, Class D, Class L, Class Y, or Class Z license to sell alcoholic liquor at retail may sell alcoholic liquor authorized under such license to a person twenty-one years of age or older within a motor vehicle if (a) the alcoholic liquor is sold along with food, (b) the motor vehicle is in park, and (c) the alcoholic liquor is placed in the trunk of the motor vehicle or the area behind the last upright seat of such motor vehicle if the area is not normally occupied by the driver or a passenger and the motor vehicle is not equipped with a trunk.

(b) A licensee which sells alcoholic liquor in the manner authorized under this section shall provide notice to the commission during initial licensure or at the time of the licensee's annual renewal regarding such sales.

(3) This section shall not apply to sales to handicapped persons in a motor vehicle displaying a current handicapped license plate issued by the Department of Motor Vehicles.

Sec. 19. Section 6 of this act becomes operative on July 1, 2021. The other sections of this act become operative on their effective date.

Sec. 20. Original sections 53-103.22 and 53-178.01, Reissue Revised Statutes of Nebraska, and sections 53-101, 53-103, 53-123, 53-123.04, 53-123.11, 53-123.14, 53-123.16, 53-124, 53-124.13, and 53-134, Revised Statutes Cumulative Supplement, 2020, are repealed.

Sec. 21. Since an emergency exists, this act takes effect when passed and approved according to law.