

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1204**

Introduced by Cavanaugh, J., 9.

Read first time January 16, 2024

Committee: General Affairs

1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend  
2 section 53-123.01, Reissue Revised Statutes of Nebraska, and  
3 sections 53-101, 53-103, and 53-123.16, Revised Statutes Supplement,  
4 2023; to define rickhouse; to authorize a holder of a  
5 microdistillery license and a holder of a manufacturer's license to  
6 operate a rickhouse as prescribed; to provide powers and duties to  
7 the Nebraska Liquor Control Commission; to harmonize provisions; and  
8 to repeal the original sections.  
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 53-101, Revised Statutes Supplement, 2023, is  
2 amended to read:

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

5 Sec. 2. Section 53-103, Revised Statutes Supplement, 2023, is  
6 amended to read:

7 53-103 For purposes of the Nebraska Liquor Control Act, the  
8 definitions found in sections 53-103.01 to 53-103.51 and section 3 of  
9 this act apply.

10 Sec. 3. Rickhouse means an offsite bonded warehouse which is kept  
11 and maintained for the purpose of storing spirits in barrels for aging in  
12 order to impart flavor from the barrel into the spirits.

13 Sec. 4. Section 53-123.01, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 53-123.01 (1) A manufacturer's license shall allow the manufacture,  
16 storage, and sale of alcoholic liquor to wholesale licensees in this  
17 state and to such persons outside the state as may be permitted by law,  
18 except that nothing in the Nebraska Liquor Control Act shall prohibit a  
19 manufacturer of beer from distributing tax-paid samples of beer at the  
20 premises of a licensed manufacturer for consumption on the premises. A  
21 manufacturer's license issued pursuant to this section shall be the only  
22 license required by the Nebraska Liquor Control Act for the manufacture  
23 and retail sale of beer manufactured on the licensed premises for  
24 consumption on the licensed premises.

25 (2)(a) A licensee who or which first obtains a craft brewery license  
26 pursuant to section 53-123.14, holds such license for not less than three  
27 years, and operates a brewpub or microbrewery on the licensed premises of  
28 such craft brewery license shall obtain a manufacturer's license when the  
29 manufacture of beer on the licensed premises exceeds twenty thousand  
30 barrels per year. The manufacturer's license shall authorize the  
31 continued retail sale of beer for consumption on or off the premises but

1 only to the extent the premises were previously licensed as a craft  
2 brewery. The sale of any beer other than beer manufactured by the  
3 licensee, wine, or alcoholic liquor for consumption on the licensed  
4 premises shall require the appropriate retail license. The holder of such  
5 manufacturer's license may continue to operate up to five retail  
6 locations which are in operation at the time such manufacturer's license  
7 is issued and shall divest itself from retail locations in excess of five  
8 locations. The licensee shall not begin operation at any new retail  
9 location even if the licensee's production is reduced below twenty  
10 thousand barrels per year.

11 (b) The holder of such manufacturer's license may obtain an annual  
12 catering license pursuant to section 53-124.12, a special designated  
13 license pursuant to section 53-124.11, or an entertainment district  
14 license pursuant to section 53-123.17.

15 (3) A holder of a manufacturer's license to manufacture spirits may  
16 operate a rickhouse that meets the requirements for a distilled spirit  
17 plant pursuant to 26 U.S.C. 5178, as such section existed on January 1,  
18 2024, if such manufacturer receives authorization from the commission and  
19 notifies the commission of the location of such rickhouse in a manner  
20 prescribed by the commission.

21 Sec. 5. Section 53-123.16, Revised Statutes Supplement, 2023, is  
22 amended to read:

23 53-123.16 (1) Any person who operates a microdistillery shall obtain  
24 a license pursuant to the Nebraska Liquor Control Act. A license to  
25 operate a microdistillery shall permit the licensee to produce a maximum  
26 of one hundred thousand gallons of liquor per year in the aggregate from  
27 all physical locations comprising the licensed premises. For purposes of  
28 this section, licensed premises may include up to five separate physical  
29 locations. A microdistillery may also sell to licensed wholesalers for  
30 sale and distribution to licensed retailers. A microdistillery license  
31 issued pursuant to this section shall be the only license required by the

1 Nebraska Liquor Control Act for the manufacture and retail sale of  
2 microdistilled product for consumption on or off the licensed premises,  
3 except that the sale of any beer, wine, or alcoholic liquor, other than  
4 microdistilled product manufactured by the microdistillery licensee, by  
5 the drink for consumption on the microdistillery premises shall require  
6 the appropriate retail license. Any license held by the operator of a  
7 microdistillery shall be subject to the act. A holder of a  
8 microdistillery license may obtain an annual catering license pursuant to  
9 section 53-124.12, a special designated license pursuant to section  
10 53-124.11, an entertainment district license pursuant to section  
11 53-123.17, or a promotional farmers market special designated license  
12 pursuant to section 53-124.16. The commission may, upon the conditions it  
13 determines, grant to any microdistillery licensed under this section a  
14 special license authorizing the microdistillery to purchase and to  
15 import, from such persons as are entitled to sell the same, wines or  
16 spirits to be used solely as ingredients and for the sole purpose of  
17 blending with and flavoring microdistillery products as a part of the  
18 microdistillation process.

19 (2) A holder of a microdistillery license may directly sell for  
20 resale up to five hundred gallons per calendar year of microdistilled  
21 products produced at its licensed premises directly to retail licensees  
22 located in the State of Nebraska which hold the appropriate retail  
23 license if the holder of the microdistillery license:

24 (a) Self-distributes its microdistilled products utilizing only  
25 persons employed by the microdistillery licensee; and

26 (b) Complies with all relevant statutes, rules, and regulations that  
27 apply to Nebraska wholesalers regarding distribution of microdistilled  
28 products.

29 (3) A holder of a microdistillery license may store and warehouse  
30 tax-paid products produced on such licensee's licensed premises in a  
31 designated, secure, offsite storage facility if the holder of the

1 microdistillery license receives authorization from the commission and  
2 notifies the commission of the location of the storage facility and  
3 maintains, at the microdistillery and at the storage facility, a separate  
4 perpetual inventory of the product stored at the storage facility.  
5 Consumption of alcoholic liquor at the storage facility is strictly  
6 prohibited.

7 (4) A holder of a microdistillery license may operate a rickhouse  
8 that meets the requirements for a distilled spirit plant pursuant to 26  
9 U.S.C. 5178, as such section existed on January 1, 2024, if such licensee  
10 receives authorization from the commission and notifies the commission of  
11 the location of such rickhouse in a manner prescribed by the commission.

12 (5) (4) The commission may adopt and promulgate rules and  
13 regulations relating to the distribution rights of microdistillery  
14 licensees.

15 Sec. 6. Original section 53-123.01, Reissue Revised Statutes of  
16 Nebraska, and sections 53-101, 53-103, and 53-123.16, Revised Statutes  
17 Supplement, 2023, are repealed.