

General Affairs Committee  
One Hundred Seventh Legislature – Second Session  
2022  
Annual Report of Legislation

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## **I. 2022 Legislation**

**LB 764 (Aguilar)** Redefine the term gross proceeds for purposes of the Nebraska County and City Lottery Act.

**LB 764** is a bill that amends the County and City Lottery Act by establishing gross proceeds do not include any admission costs collected at any location where the lottery is also available to the public free of any admission charge in the definitions section of that act.

**LB 764** was indefinitely postponed.

**LB 840 (Brewer)** Change provisions relating to publication and rates for legal notices.

**LB 840** is a bill that adjusts the publishing of, and costs associated with, legal notices in newspapers.

**Background & Legislative History:** This bill increases the maximum prices newspapers are allowed to charge for providing legal advertising space. The current amount in statute has not been adjusted since 1995, and an adjustment for inflation is overdue.

**Section 1:** Amends section 25-2228 to remove some outdated language and adds new language that requires all legal publications published in a newspaper to be published or noticed on a statewide website established and maintained for this purpose by a majority of Nebraska newspapers.

**Section 2:** amends section 33-141 by adding language indicating the current legal rate for publication of legal notices will remain unchanged until October 1, 2022. This rate stands at forty-five cents per line, single column, standard newspaper measurements of eight-point type and pica width of eleven for the first insertion, and thirty-nine and four-tenths cents per line, single column, standard newspaper measurements of eight-point type and pica width of eleven for each subsequent insertion.

This section further amends 33-141 by adding a new subsection (3), increasing the legal rate for the publication of all legal notices other than those exceptional legal notices described in section 33-142 at forty-eight cents per line as above for the first insertion, and thirty-nine and four-tenths cents per line as above for each subsequent insertion beginning October 1, 2022 through October 1, 2023. A new conversion table is also added in this section.

An additional increase is added to this section with the creation of a new subsection (4). Beginning October 1, 2023, the legal rate for the publication of all legal notices other than exceptional legal notices described in section 33-142 will be fifty cents per line as above for the first insertion, and thirty-nine and four-tenths cents per line as above for each subsequent insertion, with an additional updated conversion table added.

**Section 3:** This is the repealer section.

**AM 1915** clarifies that a website posting, or a failure to make the website posting does not affect the legal validity of the publication of the notice as required.

**LB 840** was signed by the governor April 18, 2022

**LB 866 (Brandt)** Change inspection fees under the State Electrical Act.

**LB 866** is a bill to increase a late fee for persons who fail to file a request for inspection with the State Electrical Board on time. The bill also eliminates a supervisory fee related to such requests.

**Section 1:** This section amends section 81-2126 by striking the language “a supervisory fee of fifty cents”, thereby removing this fee that has been charged at or before commencement of any installation required to be inspected by the Electrical Board. This section requires the licensed electrician or owner making the installation to submit a request for inspection, the supervisory fee and the inspection fees required for the installation. This section would eliminate the currently required supervisory fee.

Additionally, this section raises the fee that is charged for filing a late request for inspection from fifty dollars to two hundred fifty dollars.

**Section 2:** This is the repealer section.

**LB 866** was indefinitely postponed.

**LB 876 (Briese)** Change provisions relating to powers and duties of the State Racing and Gaming Commission and the Nebraska Racetrack Gaming Act and authorize racetrack gaming operator and racetrack licenses.

**LB 876** is a bill to change and improve provisions of the Nebraska Racetrack Gaming Act. The bill is drafted to include an increase in the number of live racing days held at existing racetracks, increasing the one-time fee for gaming licenses to five million dollars, creating a self-exclusion list for problem gamblers, and additional requirements for new racetrack and casino applicants for licenses. The bill also increases penalties for crimes listed in this section from a Class I Misdemeanor to a Class IV Felony, and allows the Commission to assess greater administrative fines and penalties against a licensed gaming operator if necessary.

**Section 1:** Amends section 2-1205 to change the horseracing license to a 5 year term from its current 1 year term.

New language is added to require a minimum of 5 live racing days annually by 2026 for a license to be issued.

New racetracks that are operational after the effective date of the bill must hold at least 1 live race day annually for the first 3 years of operations, and then must hold a minimum of 5 live

racing days annually thereafter, and all racetracks are subject to discipline for failing to meet this standard.

This section also requires racetracks to be located outside of a 50 mile radius of another racetrack enclosure operating games of chance (Casino), and it grandfathers in the 6 racetracks that existed on November 1, 2020, the day before the initiative vote.

**Section 2:** Includes new sections 5 and 6 of this act to the Nebraska Racetrack Gaming Act.

**Section 3:** Amends section 9-1104 to add new language requiring racetracks to hold the minimum number of meets or possibly be required to cease game of chance operations for a period of time determined by the commission.

**Section 4:** Amends section 9-1106 to change the casino gaming operator license fee to five million dollars from its current one million dollar requirement, and changes the term of gaming operator licenses from twenty years to five years.

This section also changes the administrative penalties the commission can impose to three times the highest daily amount of gross receipts derived from wagering on games of chance at that licensed racetrack enclosure during the previous 12 months, instead of the current static number of \$25,000.00 dollars. This language was proposed by Tom Sage.

**Section 5:** This is all new language that requires the Commission to create and maintain the self-exclusion list for anyone who wants to self-exclude from gaming facilities in Nebraska. This section includes the application requirements for the list, procedures for self-placement on the list, duration of the terms for self-removal from the list, procedures for providing the list to licensed gaming operators, and requirements to keep the self-excluded persons list confidential from public inspection and to not allow any marketing to persons on the list by licensed gaming operators or any of their officers and employees. This was requested by Tom Sage.

**Section 6:** This section is all new language containing the requirements for applications for new horse racetracks and casinos. The applications must now include proof that the proposed racetrack location is a minimum of 50 miles from any other racetrack with a casino, a market assessment that includes a feasibility and sustainability study of both games of chance and horseracing, an analysis of the anticipated impact on infrastructure including water, electricity, natural gas, roads, and public safety including police and fire depts., zoning and initial planning approval from the city nearest the site of the proposed racetrack, a full disclosure of the applicants record as an existing racetrack and casino operator, including multi-jurisdictional experience, and evidence of how the proposed racetrack and casino will improve and give back to the community in which they are proposed to be located in a meaningful and sustained way.

**Section 7:** Amends 9-1107. This section is the Gaming Cash Fund, and it is amended to bring the language in harmony with the Racing Cash Fund. It also includes a small language change to allow the gaming fund to consist of all other fees the commission is permitted to assess beyond just the license and application fees.

**Section 8:** Amends Section 9-1110 to add new language allowing parimutuel wagers to be placed in the designated sports wagering area within the casino.

**Sections 9 through 14:** change penalties for crimes from Class I Misdemeanors to Class IV Felonies.

**Section 15:** adds language to section 9-1205 to require authorized gaming operators subject to taxation by the fifteenth of each month to the commission.

**Section 16:** amends section 9-1206 to add language regarding taxes and the new language requiring payment by the fifteenth of the month in the previous section.

**Section 17:** changes Class I Misdemeanor to Class IV Felony in section 9-1207.

**Section 18:** Adds a new exemption to the list of exemptions to what can be requested under the Nebraska Public Records Law in chapter 84-712.05, so security standards, procedures, policies, plans and other security related records of the Commission, or any entity that has entered into a contractual relationship with the Commission, and the names of any persons placed on the self-excluded persons list would be exempt from any public records requests. This was requested by Tom Sage at the Commission.

**AM 2188** Replaces the original bill.

**Section 1:** of the amendment amends section 2-1201 by adding new language that makes a violation of section 2-1219 by a member of the commission cause for removal. It also changes the requirement set in the initiative for one member of the commission to be a member of the organization representing the majority of licensed owners and trainers of horses at racetracks in Nebraska to a person who has experience in the Nebraska Horseracing Industry.

**Section 2** amends section 2-1202 to require the commission to meet at least eight times per year.

**Section 3** amends section 2-1203 by increasing a fine from fifteen hundred dollars to five thousand dollars when the commission finds that a rule or regulation has been violated.

**Section 4** amends section 2-1203.02 by adding language to indicate that only persons between the ages of 16 and 75 need to be fingerprinted for purposes of the Commission.

**Section 5** amends section 2-1205 to change the horseracing license to a 5 year term from its current 1 year term. New language is added to require a minimum of 5 live racing days and fifty live horseraces annually by January 1, 2026 and increase to a minimum of fifteen live racing days and one hundred twenty live horseraces annually by January 1, 2031. This section also contains new language which establishes a schedule for racetracks built and operational after the effective date of this act that requires them to hold a minimum of one live racing day annually for the first three years of operation, a minimum of five live racing days with fifty live horseraces annually for the fourth year through the seventh year of operation, and beginning in the eighth year of operation they must hold a minimum of fifteen live racing days and one hundred twenty

live horseraces annually. Any racetrack that fails to meet the minimum requirements set forth in this subsection is subject to discipline by the commission, up to and including a revocation of their racing license. Subsection (3) gives permission for a racetrack in existence as of the date of this act to apply to the Commission to move their racetrack location to another county in Nebraska that does not have a racetrack. They may only do this one time, and cannot be applied for until after the initial issuance of the market analysis and socioeconomic-impact studies conducted by the Commission pursuant to section 9-1106 found in section 4 of the bill.

**Section 6** of the amendment amends section 2-1208 by increasing the amount paid to the commission by the licensed racetracks, but to increase it over time. Beginning on the effective date of the act through June 30, 2023, the amount of one half of one percent of the gross sum wagered on parimutuel wagers at the licensed racetrack during the previous calendar year. From July 1, 2023 to June 30, 2024, it increases to one percent, and beginning on July 1, 2024, it increases the final time to two percent of the gross sum wagered by the parimutuel method at the licensed racetrack during the previous calendar year and remains at two percent thereafter. It also increases the amount paid by the licensee to the Commission from fifty dollars to one hundred dollars for each live racing day that the licensee serves as the host for intrastate simulcasting and fifty dollars instead of twenty-five dollars for any other live racing day.

**Section 7** of the amendment changes the requirements in section 2-1211 of records that must be kept and submitted to the commission by the licensed racetracks. It first removes the requirement that tracks include the number of admissions upon free passes or complimentary tickets in their reporting. This section also changes the date the reports must be submitted from the end of each race meeting day to annually by March 30 of the previous calendar year.

**Section 8** amends section 2-1213 by removing current section (1)(a) which will remove the restrictions for racing on a Sunday in Nebraska.

**Section 9** makes it a felony IV to conduct any horserace in connection with the parimutuel system of wagering without a license. Currently the penalty is a class I misdemeanor.

**Section 10** increases the penalty for drugging horses from a class I misdemeanor to a class IV felony as found in section 2-1218.

**Section 11** amends section 2-1219 to address conflicts of interest for both members of the commission and employees of the commission. This is the section that is addressed in section 1 of the bill (above). Any violation of this section by a member of the commission shall be considered cause for removal by the Governor in accordance with section 2-1201.

**Section 12** amends section 2-1220 by increasing the penalty for fraud regarding the prior racing record, pedigree, identity, or ownership of a registered animal in any matter related to breeding, buying, selling, or racing of such animal to a class III felony from the current fine and possible imprisonment listed in this section.

**Section 13** amends section 2-1222 by clarifying the cash fund in this section is the Racing and Gaming Commissions racing cash fund.

**Section 14** of the amendment adds sections 17 and 18 of this act to the Nebraska Racetrack Gaming Act.

**Section 15** of the amendment adds a new subsection to 9-1104 which requires the authorized gaming operator to cease operating games of chance if the racetrack where they are located does not hold the minimum number of live racing days and races required each year. They may not resume operations until the Commission determines the deficiency has been corrected.

**Section 16** of the amendment increases the one-time gaming operator license fee from one million dollars to five million dollars, and allows the fee to be paid over a period of five years, with one million dollars required at the issuance of the license in subsection (6) of section 9-1106.

In subsection (8) of section 9-1106, the amendment returns the term of the gaming license to twenty years and makes it subject to an annual review by the commission and an annual review fee of fifty thousand dollars.

Subsection (14) changes administrative fines and penalties that may be imposed by the Commission for violations of the act or rules and regulations by licensed gaming operators. For any licensed facility operating games of chance for one year or less, the fine is set at fifty thousand dollars per violation. For any licensed facility operating games of chance for more than one year, the fine is set at three times the highest daily amount of gross receipts derived from wagering on games of chance during the twelve months preceding the violation at the licensed facility per violation.

New language creates subsection (24) to section 9-1106. This subsection requires the Commission to have a statewide horseracing market analysis study conducted in the state as the market currently exists across the state and within the six counties that currently have licensed racetracks.

New subsection (25) requires the Commission to have a statewide comprehensive assessment and analysis of the potential casino gaming market across the state and in the six counties that currently have licensed racetracks.

New subsection (26) requires the Commission to have a statewide socio-economic impact study of horseracing and casino gaming across the state and at each county that currently has a licensed racetrack. All three studies are to be completed as soon as practicable but no later than January 1, 2025.

New subsection (27) has language proscribing under what conditions the Commission must approve or deny an application for any new licensed racetrack enclosure based on the most recent issuance of the three market studies discussed above.

**Section 17** of the amendment contains new language requiring the Commission to create a self-exclusion list for individuals to use to exclude themselves from gambling, and gives the Commission permission to adopt and promulgate rules and regulations to regulate this program.

**Section 18** of the amendment contains requirements that must be included in any application for an authorized gaming operator license. They must include a market assessment that includes the feasibility and sustainability of the proposed licensed racetrack enclosure for operating games of chance in that proposed location as part of the market in Nebraska at the time of the application.



This study must include the impact of the proposed facility on both horseracing and the operation of games of chance in the state, an analysis of the anticipated impact on infrastructure including water, electricity, natural gas, roads, and public safety, including police and fire departments, zoning and initial planning approval from the city nearest the site of the proposed racetrack location, a full disclosure of the applicants record as a racetrack and game of chance operator, including all multi-jurisdictional experience, evidence of how the proposed racetrack will improve and give back in a meaningful and sustained way to the community in which the applicant is proposing to build their facility, and any other information required by the commission. This section also specifically states the commission may reject an application that does not meet the requirements of this section.

**Section 19** of the amendment has small administrative changes to harmonize the Racing and Gaming Commission's racetrack gaming fund with the Commission's racing fund.

**Section 20** of the amendment adds new language to section 9-1110 to allow a parimutuel wager to be placed in the designated sports wagering area within the licensed racetrack enclosure.

**Section 21** of the amendment increases the penalty in section 9-1114 for any person who submits an application, book, or record required to be maintained or submitted to the commission, from a class I misdemeanor to a class IV felony for knowingly making a false or misleading statement or entry, or fails to maintain or make an entry that is required by the act or the commission.

**Section 22** amends section 9-1205 to make administrative changes for the commission to better enable them in their collection of taxes.

**Section 23** amends section 9-1206 to also assist the commission in their administrative capacity.

**Section 24** amends section 9-1207 by increasing the penalty for any authorized gaming operator that willfully fails, neglects, or refuses to make any report required by the act or by rules and regulations to the commission a class IV felony instead of a class I misdemeanor.

**Section 25** amends section 84-712.05 to create a new section in the exceptions to the public records act to exempt the security standards, procedures, policies, plans, specifications, diagrams, and access list and other security-related records of the commission, persons or entities holding a contractual relationship with the commission, and the names of any individuals on the self-exclusion list to be exempt from a public records act request.

**Sections 26 and 27** are the repealer sections.

**Section 28** contains an emergency clause.

**AM 2764** adds the following changes:

**Section 1** of the amendment replaces section 6 of 2-1208 to increase the tax paid to the commission by the licensed racetrack enclosure to one percent of the gross sum wagered by the

parimutuel method per year beginning July 1, 2023. On July 1, 2024, the amount paid will increase to two percent.

**LB 876** was signed by the governor April 19, 2022.

### **LB 877 (Briese)** Change Provisions relating to horseracing and the State Racing and Gaming Commission.

**LB 877** is a bill to update the Racing Commission statutes. These updates include an increase in required payments to the commission from licensed racetracks, amending the language of one of the new commissioner positions to be filled by a person who has experience in the Nebraska horse racing industry, a requirement for the commission to meet a minimum of eight times per year, and a removal of the prohibition on Sunday horse races from statute.

**Section 1:** Amends section 2-1201 to add new language making a violation of section 2-1219 by a commissioner cause for removal from the commission found in section 12 of the bill.

This section also amends the requirement in subsection (f) for one member of the commission be a member of the organization representing the majority of licensed owners and trainers of horses at racetracks in Nebraska. New language changes this to a person that has experience in the Nebraska horseracing industry. This is important because of the changes made to section 2-1219 in section 12 of the bill.

**Section 2:** Amends section 2-1202 by requiring the commission to meet at least eight times per year. The commission currently is only required to meet “at such times and places as it shall find necessary and convenient for the discharge of its duties”. A specific number in statute will make it easier for the commission staff to ensure the meetings take place and their work can get accomplished in a timely fashion.

**Section 3:** amends section 2-1203 by increasing a fine from fifteen hundred dollars to five thousand dollars when the commission finds that a rule or regulation has been violated.

**Section 4:** amends section 2-1203.02 by adding language to indicate that only persons between the ages of 16 and 75 need to be fingerprinted for purposes of the Commission.

**Section 5:** amends section 2-1205 to allow racing licenses to be issued for a period of five years instead of the current one year.

New language is added to this section to require a racetrack to hold a minimum of five live racing days annually by January 1, 2026 to qualify for a racing license, and keep it in good standing with the commission, for any racetrack in existence as of the operational date of this act.

For racetracks issued a license that is in existence AFTER the operational date of the act, they must hold at least one live racing day per year for their first three years of operation, after which they are required to hold five live racing days per year to qualify for their racing license, and to keep it in good standing with the commission.

This section also adds new language subjecting the licensee to discipline by the commission for any licensee racetrack that fails to meet the new minimum standard of five live racing days by the date prescribed in statute.

**Section 6:** amends section 2-1207 to change the criminal penalty for making a parimutuel wager by any person under the age of 21 from a Class I Misdemeanor to a Class IV Felony.

**Section 7:** amends section 2-1208 by increasing the amount paid to the commission by the licensed racetracks from sixty-four one hundredths of one percent of the gross sum wagered by the parimutuel method at each licensed racetrack enclosure during the calendar year, to TWO percent. It also increases the amount paid by the licensee to the Commission from fifty dollars to one hundred dollars for each live racing day that the licensee serves as the host for intrastate simulcasting and fifty dollars instead of twenty-five dollars for any other live racing day. The Commission is currently grossly underfunded, and this will help to resolve this problem.

**Section 8:** amends section 2-1211 by changing the language to require the licensed racetracks to furnish the commission with their annual report by March 30<sup>th</sup>, to clarify what is currently in statute and make it easier for both the racetracks and the Commission.

**Section 9:** amends section 2-1213 by striking all of section (1)(a), which strikes the prohibition on holding races on Sunday. It also strikes some language that was a requirement for quarter horse racing from 2005 to 2008 and is no longer needed in statute.

Section 2-1213.01 which also dealt with prohibiting horse races on Sunday is stricken by the bill.

**Section 10 and section 11:** change misdemeanors to felonies in sections 2-1215 and 2-1218.

**Section 12:** amends section 2-1219 to add commissioners to the different categories of what is prohibited due to potential conflicts of interest. These include the following: no commissioner or employee can have any interest in a horse that will be raced at any meet under the jurisdiction of the commission, or any pecuniary interest or private employment in a profession or business which is regulated by or interferes or conflicts with the performance or proper discharge of the duties of the commission, no wagering by any commissioner at any race regulated by the commission, any no pecuniary interest or engage in private employment in a business which does business with any racing association licensed by the commission or in any business issued a concession operator license by the commission.

Additional new language makes a violation of this section by a commissioner, grounds for removal by the governor, as was established in section one of the bill, in section 2-1201.

**Section 13:** changes the fine of not more than ten thousand dollars or imprisoned for not more than five years found currently in section 2-1220 to a Class III Felony.

**Section 14:** changes the penalty in section 2-1221 from a Class I Misdemeanor to a Class IV Felony.

**Section 15:** amends the language in 2-1222 to harmonize the language in the Racing cash fund with the Gaming cash fund mentioned in section 7 of the Gaming Bill. There is also language stricken that is no longer necessary to have in statute, per the Revisor's office.

**Section 16 and 17:** are the repealer sections.

**LB 877 was amended into LB 876.**

**LB 898 (Lowe)** Redefine ready-to-drink cocktail for purposes of the Nebraska Liquor Control Act.

**LB 898** sets a maximum limit at thirty-two (32) ounces for ready to drink cocktails in their original package containing twelve and one-half percent or less alcohol by volume.

**Background & Legislative History:** LB 578 (2021) was amended into the committee priority bill. LB 578 created the definition of "ready-to-drink" cocktail in statute as meaning a beverage or confection containing spirits in an original package which contains twelve and one-half percent or less alcohol by volume. This bill also established the rate of taxation for these alcoholic beverages at ninety-five (95) cents per gallon for those alcoholic beverages that are manufactured or sold by a wholesaler in Nebraska.

**Section 1:** amends section 53-103.49 by adding a limitation of size to the definition of ready-to-drink cocktail found in statute. This section proposed new language restricting these cocktails to thirty-two ounces for ready-to-drink cocktails which contain twelve and one-half percent or less alcohol by volume.

**Section 2:** this is the repealer section.

**LB 898** was indefinitely postponed.

**LB 899 (Lowe)** Change provisions relating to special designated licenses issued by the Nebraska Liquor Control Commission.

**LB 899** is a bill to create a new special designated license (SDL) for which specific nonprofit corporations exempted from the payment of federal income taxes may apply for multiple SDL's for the same location within a single application. The fee for the license is set at forty dollars for

the initial SDL and ten dollars for each additional day designated in the application at the location specified in the application.

**Technical Comments:** LB 899 would allow municipal corporations, fine art museums, political organizations, religious organizations, and other nonprofit organizations whose purpose is fraternal, charitable, or public service to use one application to apply for up to six special designated licenses as long as each event was held at the same location.

**Section 1:** Amends section 53-124.11 to create a new subsection which provides for a new special designated license (SDL) that may be issued to certain municipal corporations or nonprofit corporations who are exempted from the payment of federal income taxes. These specific organizations may submit one SDL application for licenses for multiple days within the calendar year for the same location.

This section specifically does not apply to a holder of a catering license.

The fee for this SDL is set at forty dollars for the initial SDL and ten dollars for each additional day requested in the application for the sole location listed therein.

**Section 2:** is the repealer section.

**LB 899** was amended into LB 1236 by AM 1986.

**LB 900 (Lowe)** Change provisions relating to microdistilleries to allow up to five physical locations.

**LB 900** is a bill to allow microdistilleries in Nebraska to have up to five separate physical locations under their license.

**Background & Legislative History:** Currently, craft breweries are allowed to operate up to five separate physical locations under one license. This bill would extend this privilege to microdistilleries in the state.

**Section 1:** Amends section 53-123.16 by adding new language under the microdistillery license to allow a licensee to produce a maximum of one hundred thousand gallons in the aggregate from up to five physical locations under one license.

**Section 2:** Amends section 53-129 to add microdistillery licenses with craft brewery licenses as being allowed to operate up to five separate physical locations under one license.

**Section 3:** This is the repealer section.

**LB 900** was amended into LB 1236 by AM 1986.

**LB 923 (Cavanaugh, J.)** Change provisions relating to the game of Keno and provide for the sale of digital-on-premises tickets.

**LB 923** is a bill to allow Keno to be played in a digital format, on the premises of the lottery operator or licensed sales outlet location.

**Section 1:** adds sections 3 and 7 of this act to the Nebraska County and City Lottery Act.

**Section 2:** adds sections 3 and 7 of this act to the Nebraska County and City Lottery Act.

**Section 3:** adds new language that defines “digital-on-premises ticket” as a digital ticket purchased in person on a mobile or other electronic device verified to be present at the location of the lottery operator or a licensed sales outlet location in accordance with subdivision (3)(b) of section 7 of the act.

**Section 4:** amends section 9-607 to add new language to permit tickets to be issued either on paper or digitally to a mobile or other device of a person verified to be present at the location of the lottery operator or a licensed sales outlet location as part of an authorized lottery gambling scheme.

**Section 5:** amends section 9-646.01 to include coins, a debit card, or a direct link to an account with a financial institution in the name of the player as allowable means of purchase of tickets for wagers under the County and City Lottery Act. New language in this section also prohibits credit cards from being used as payment for any wager on keno.

**Section 6:** amends section 9-651 by amending the language requiring each county, city, or village to have its name clearly associated with each ticket used in the lottery and prohibits sale of any tickets unless the name of that county, city, or village is clearly identified with such ticket.

**Section 7:** This section is new language requiring any purchase of a ticket for a keno game to be made in person at the location of the lottery operator or licensed sales outlet location.

This section also details out several new requirements for lottery operators, including filing with the Department of Revenue the address of each location where digital-on-premises tickets are sold, the use of reasonable safeguards approved by the department to ensure digital-on-premises tickets are only accessible to individuals 19 years of age or older, submission of controls for approval by the department, specific procedures and technology partners used to fulfill those requirements, location detection procedures used to reasonably detect and monitor the location of a player attempting to purchase a digital-on-premises ticket for a keno game, reject players outside the permitted boundary, and any other specific controls required by the department. Lottery operators are also required to display an easy and obvious method for a player to make a complaint, and to enable the player to notify the department if such complaint has not been or cannot be addressed by the lottery operator.

**Section 8:** is the repealer section.

**LB 923** was indefinitely postponed.

**LB 1109 (Murman)** Provide for the issuance of a liquor license to the spouse of a law enforcement officer.

**LB 1109** is a bill to allow the spouse of a law enforcement officer to obtain a retail liquor license for a business and allow the law enforcement officer spouse to participate in the day-to-day operations of such business.

**Section 1:** Amends section 53-101 to include section 2 of this bill to the liquor control act.

**Section 2:** This section is new language that grants permission to the liquor control commission to issue a retail liquor license for consumption on the premises to the spouse of a law enforcement officer for a business. It also allows the law enforcement officer spouse to participate in the day-to-day operations of that business.

**Section 3:** Amends section 53-125 by exempting the spouse of a law enforcement officer from this section which details out an extensive list of persons who cannot be issued a liquor license of any kind.

**Section 4:** This is the repealer section.

**LB 1109** was indefinitely postponed.

**LB 1204 (Briese)** Change provisions relating to the liquor control act.

**LB 1204** is a bill that makes several technical changes at the request of the Nebraska Liquor Control Commission. These changes include allowing licenses to be sent electronically, removing the requirement that certain documents be filed in triplicate, and removing the requirement that applications for licenses be signed by a notary public.

**Section 1:** Adds the new language in section 2 of the bill to be part of the Nebraska Liquor Control Act.

**Section 2:** This section is all new language which allows the commission to use either mail or electronic delivery when delivering any type of license under their jurisdiction.

**Section 3:** Amends section 53-123.12 by removing the requirement that an applicant file their application to the commission in triplicate.

**Section 4:** Amends section 53-124.12 by removing the triplicate requirement for an application for a catering license when submitted to the commission.

**Section 5:** Amends section 53-131.01 by eliminating the requirement that the application being filed be verified by a notary public.

**Section 6:** Amends section 53-132 by adding the option of electronically delivering new or renewed licenses by the commission to the city, village, or county clerk.

**Section 7:** Amends section 53-135 to remove the requirement for a retail or bottle club license application to be filed in triplicate.

**Section 8:** Amends section 53-148.01 to allow the commission to provide warning signs electronically to retail or bottle club licensees who are required to post a notice warning that drinking alcoholic beverages during pregnancy can cause birth defects.

**Section 9:** Amends section 53-180.04 by allowing the commission to send warning signs electronically to licensees who are required to post notice to persons under the age of 21 that they are subject to a penalty of up to \$500.00 fine and 3 months in jail or both if you are under the age of 21 and you consume, purchase, attempt to purchase, or have in your possession alcoholic liquor in the establishment. The notice also warns adults over the age of 21 that they are subject to up to \$1,000.00 fine, 1 year in jail, or both for purchasing alcoholic liquor to persons under the age of 21.

**Section 10:** This is the repealer section.

**AM 1894** clarifies under 53-132 that the commission may send the license to the licensee electronically upon confirmation from the clerk of the city, village, or county, that necessary fees and taxes have been received by that clerk.

**LB 1204** was signed by the governor April 18, 2022.

**LB 1231 (Briese)** Change provisions relating to the importation of alcoholic liquor into the state under the Nebraska Liquor Control Act.

**LB 1231** was brought on behalf of the Liquor Control Commission. This bill would enable the commission to more accurately and correctly identify alcoholic products being imported into or produced in Nebraska for taxation and distribution purposes.

**Section 1:** This section adds sections 3 and 4 of this act to the Nebraska Liquor Control Act.

**Section 2:** Also adds section 3 of this act to the definitions found in sections 53-103.01 to 53-103.49 of the Nebraska Liquor Control Act.

**Section 3:** This is new language that creates a definition for “Primary source of supply in the United States” to mean

- a. Manufacturer, producer, or owner of any alcoholic liquor at the time it becomes a marketable product (i.e., the manufacturer)
- b. Bottler of any alcoholic liquor in the United States; or
- c. Exclusive agent within the United States or any of the states of any manufacturer, producer, owner, or bottler of any alcoholic liquor outside the United States.

This section also sets a requirement to be the primary source of supply in the United States, the licensee causing such alcoholic liquor to be imported into Nebraska must be the first source, such



as the manufacturer or the source closest to the manufacturer, in the channel of commerce from which the product can be secured by Nebraska licensed wholesalers.

**Section 4:** This section contains all new language requiring each licensed manufacturer, licensed wholesaler, or the holder of a shipping license in Nebraska to submit a report to the Commission prior to the sale or shipment of any alcoholic liquor into the State.

The report must include the following

- a. the licensee's name and license number,
- b. the designated Nebraska licensed wholesaler for each product,
- c. the name of the primary source of supply in the United States,
- d. the products to be imported, including the brand name, class or type of product, and fanciful name if applicable,
- e. evidence of compliance with federal label law requirements pursuant to 27 C.F.R., Chapter 8 and rules and regulations adopted pursuant to that act, and
- f. any other information requested by the commission related to sale or shipment in Nebraska, along with any applicable fees.

This section also requires a letter from the product manufacturer in the U.S. designating the licensee as the primary source of supply in the U.S. or the sole source of supply in Nebraska if the licensed manufacturer, licensed wholesaler, or the holder of a shipping license is NOT the product manufacturer.

Further, this section requires the information required above to be submitted to the commission upon a change in the primary source of supply of the alcoholic liquor at least thirty days prior to the shipment of the alcoholic liquor into Nebraska.

Additionally, this section gives the commission the authority to promulgate and adopt rules and regulations to carry out this section.

**Section 5:** This is the repealer section.

**LB 1235** was indefinitely postponed.

**LB 1235 (Lowe)** Change provisions relating to craft breweries and allow for self-distribution of beer under certain circumstances under the Nebraska Liquor Control Act.

**LB 1235** would allow a craft brewery who produces less than 500 barrels of beer in a calendar year to receive a Nebraska beer wholesale license and be able to distribute their product directly without having to go through an independent distributor, so long as they do not have a distribution agreement with a licensed wholesaler (distributor), and does not distribute beer produced by any other licensee.

**Section 1:** Amends section 53-123.14 to add new language allowing any brewer producing less than 500 barrels of beer in a calendar year to self-distribute their own product brewed at its licensed brewery premises to a retail licensee, so long as the brewer has not entered into a distribution agreement with a licensed Nebraska wholesaler (distributor), can only self-distribute their beer utilizing people employed exclusively by the brewer in vehicles solely owned or leased by the brewer, has obtained a Nebraska beer wholesale license, and complies with all relevant statutes and rules and regulations regarding distribution of beer.

This section also prohibits a brewer who obtains a wholesale license to self-distribute their own product from distributing any beer produced by any other licensee.

This section contains a provision allowing a brewer to continue to self-distribute their own product through December 31 of the calendar year if the brewer's production exceeds five hundred barrels in that calendar year, but then must cease self-distribution and relinquish their beer wholesale license and distribute through another licensed Nebraska beer wholesaler (distributor).

This section also has new language to define brewer as the holder of a craft brewery license or a license to produce or manufacture beer; an officer, director, agent, or employee of such license holder; and an affiliate of such license holder, regardless of whether such affiliation is corporate or by management, direction, or control.

**Section 2:** This is the repealer section.

**LB 1235** was indefinitely postponed.

### **LB 1236 (Lowe)** Change provisions relating to craft brewery licensees under the Nebraska Liquor Control Act.

**LB 1236** is a bill to allow all Nebraska breweries to have limited self-distribution rights.

**Section 1:** Amends section 53-123.14 by adding new language to allow a holder of a craft brewery license to directly sell or re-sell up to XXX barrels of beer produced at its licensed premises per calendar year directly to off-premises sites located in the state which hold the appropriate retail license.

**Important note:** the bill does not contain a specific number of barrels the manufacturer would be allowed to self-distribute per calendar year.

This section also adds new language to allow the holder of a craft brewery license to store and warehouse products produced on their licensed premises in a designated, offsite storage facility if the licensee notifies the commission of the location of the storage facility and maintains a separate perpetual inventory of the product stored at the storage facility, and prohibits consumption of alcoholic liquor at the storage facility.

**Section 2:** This is the repealer section.

**AM 1850 replaces the original bill.**

**Section 1** strikes the original section one and replaces it with language creating new subsections (2), (3), and (4).

Subsection (2)(a) allows a holder of a craft brewery license to directly sell for resale up to two hundred fifty barrels of their own manufactured craft beer per calendar year if the licensee only self-distributes its beer in a territory in which the licensee does not have a distribution agreement with a licensed wholesaler, uses only persons exclusively and solely employed by the licensee to distribute its beer in vehicles exclusively and solely owned or leased by the licensee, and complies with all relevant statutes, rules, and regulations that apply to Nebraska beer wholesalers regarding distribution of beer.

Subsection (2)(b) allows a holder of a craft brewery license to only self-distribute beer brewed at its licensed brewery premises, and may not distribute beer produced by any other licensee.

Subsection (3) allows a licensee to store and warehouse tax-paid products produced on their licensed premises in a designated, secure, offsite storage facility if the licensee has notified the commission of the location of such facility and received authorization from the commission. They must maintain a separate perpetual inventory of the product stored at the storage facility and consumption of any alcoholic liquor at the storage facility is strictly prohibited.

Subsection (4) gives the Liquor Control Commission the authority to adopt and promulgate rules and regulations pertaining to distribution rights of craft brewery licensees.

**Section 2** amends section 53-169 to provide exception to the new subsection (2) of section 53-123.4 listed above from the Nebraska Liquor Control Act not being construed to permit the holder of a craft brewery license or of a manufacturer's license issued pursuant to section 53-123.16 to engage in the wholesale distribution of beer.

**Section 3** amends section 53-171 with the same exception provided above in section 2, thereby granting the holder of a craft brewery license the ability to engage in the wholesale distribution of beer under the strict guidelines provided in section 1 of the amendment.

**LB 899 was amended into LB 1236.**

**LB 899** is a bill to create a new special designated license (SDL) for which specific nonprofit corporations exempted from the payment of federal income taxes may apply for multiple SDL licenses for the same location within a single application. The fee for the license is set at forty dollars for the initial SDL and ten dollars for each additional day designated in the application at the location specified in the application.

LB 899 would allow municipal corporations, fine art museums, political organizations, religious organizations, and other nonprofit organizations whose purpose is fraternal, charitable, or public service to use one application to apply for up to six special designated licenses as long as each event was held at the same location.

**Section 1:** Amends section 53-124.11 to create a new subsection which provides for a new special designated license (SDL) that may be issued to certain municipal corporations or nonprofit corporations who are exempted from the payment of federal income taxes. These specific organizations may submit one SDL application for licenses for multiple days within the calendar year for the same location. This section specifically does not apply to a holder of a catering license. The fee for this SDL is set at forty dollars for the initial SDL and ten dollars for each additional day requested in the application for the sole location listed therein.

**LB 900 was amended into LB 1236.**

**LB 900** is a bill to allow microdistilleries in Nebraska to have up to five separate physical locations under their license.

Currently, craft breweries are allowed to operate up to five separate physical locations under one license. This bill would extend this privilege to microdistilleries in the state.

**Section 1:** Amends section 53-123.16 by adding new language under the microdistillery license to allow a licensee to produce a maximum of one hundred thousand gallons in the aggregate from up to five physical locations under one license.

**Section 2:** Amends section 53-129 to add microdistillery licenses with craft brewery licenses as being allowed to operate up to five separate physical locations under one license.

**LB 1236** was signed by the governor April 18, 2022.

**LB 1239 (Vargas)** Change and eliminate provisions relating to liquor and agreements between manufacturers and wholesalers and beer suppliers and beer wholesalers.

**LB 1239** is a bill to change provisions relating to franchise agreements between manufacturers and wholesalers, and beer suppliers and beer wholesalers.

**Section 1:** Amends section 53-103.14 by changing the requirements of a franchise or agreement referencing the relationship between a manufacturer and wholesaler of beer. New language requires the franchise or agreement to be in writing executed by the manufacturer and wholesaler and must include the following:

1. The term in years and rights to termination or extension;
2. A list of the manufacturer's brands for which the wholesaler has the right to offer and sell within a specified geographic territory;
3. Terms constituting consideration offered and accepted by each party;
4. Notice provisions identifying the name, address, phone number, and email address for each party; and
5. Terms addressing a sale or other transfer of each party's licensed business.

The bill then strikes the existing language currently defining the franchise or agreement.

**Section 2:** Amends section 53-103.40 to change the statutory definition of “territory” to mean the wholesalers area of sales responsibility ‘as expressly set forth in the franchise’. This means the sales territories of the distributors must be agreed upon or approved by the manufacturers/brewers.

**Section 3:** Amends section 53-123.03 to require a beer wholesale license to designate the territory within which the licensed wholesaler may sell the designated product of any brewer as agreed upon by the licensee and the brewer ‘in a franchise’, making the territory subject to the new definition and requirements of the term franchise as amended in section 1 of the bill.

**Section 4:** Amends section 53-123.09 by adding “the applicable franchise” to the section detailing that it is unlawful for any beer wholesaler to deliver beer to any location outside of the geographic territory designated on their license.

**Section 5:** Amends section 53-201 by setting forth new requirements for the fair, efficient, and competitive distribution of beer. These include the following:

1. Setting forth the requirements for franchises, including the termination, expiration, and renewal of franchises between beer suppliers and beer wholesalers;
2. Promoting a robust, competitive distribution system in which each beer wholesaler will devote reasonable efforts and resources to sales, distribution, and quality control of the beer it sells;
3. Promoting the continued availability of good quality beer for the consumers of Nebraska through orderly marketing and vigorous interbrand competition;
4. Requiring producers and wholesalers to enter into franchises as provided in such sections; and
5. Controlling the sale of malt beverages in this state and facilitating the lawful and orderly marketing of malt beverages pursuant to the police powers of this state.

**Section 6:** Amends section 53-204 to expand the definition of Agreement to to include the term “franchise” and adds that the term means a specific agreement between a beer supplier and a beer wholesaler and must include, at a minimum:

1. The term in years and rights to termination or extension of the agreement or franchise;
2. A list of the beer supplier’s brands for which the beer wholesaler has the right to offer and sell within a specified geographic territory;
3. Terms constituting consideration offered and accepted by each party;
4. Notice provisions identifying the name, address, phone number, and email address for each party; and
5. Terms addressing a sale or other transfer of each party’s licensed business.

**Section 7:** Amends section 53-211 by adding the phrase “a franchise or” to include this term with the word “agreement” as amended into the definitions section.

**Section 8:** Amends section 53-218 by adding the words “or wholesaler” and “supplier or” to include these terms as interchangeable in statute.

In subsection (2), the word “supplier” currently in statute is replaced with “initiating party”, and the term “wholesaler” with “other party”. The terms “Initiating Party” and “other party” are not defined in the Liquor Control Act.

In subsection (4), the term “the wholesaler” is replaced with “a party” in terms of failure to comply with a provision of the agreement. The term “supplier” is replaced with “initiating party”. The term “other party” replaces “wholesaler” again, as does “initiating party” replaces “supplier”.

**Section 9:** This section strikes subsection (2) from section 53-223. This subsection currently makes a supplier who violates any provision of sections 53-201 through 53-223 liable for all actual damages, court costs, and reasonable attorney’s fees incurred by a wholesaler as a result of the violation at the courts discretion. This section also makes a wholesaler who violates any of the same sections liable for actual damages and all the costs as listed above.

**Sections 10 and 11:** These are both repealer sections.

**LB 1239** was indefinitely postponed.

**LB 1256 (McKinney)** Change provisions relating to public libraries and require the election of library board members of a city of the metropolitan class.

**LB 1256** is a bill that changes provisions relating to public libraries and requires the election of library board members for a City of the Metropolitan Class.

**Section 1:** Amends section 51-202 by first adding new language creating an exception for cities of the metropolitan class when a city council or village board establishes a public library and is required to establish a library board.

This section then strikes language in subsection (3) which currently requires elected library board members to be elected at municipal elections in April and follow the statutes governing municipal elections. By removing this language, the library board members that are subject to election would then be elected subject to the Election Act.

A new subsection (4)(a) is added requiring any city council of a city of the metropolitan class that establishes and maintains a public library and reading room to provide for the nonpartisan election of library board members held as provided for in the Election Act. Each city council district will have one member of the library board elected from such district, and two at-large members who must be registered voters residing within the city will make up the membership of the board. This section allows members of the library board to hold other elected office not prohibited under sections 51-201 to 51-219, but they may not be a full or part-time employee of any library overseen by the board.

Terms of each board member are set at four years. Individuals currently serving as appointed library board members in a city of the metropolitan class are permitted to continue to serve in their capacity until their successors are elected at the next general election.

**Section 2:** Amends section 51-204 to add new language establishing that new members of an elected library board shall meet and organize themselves within ten days following their election. This section further requires the library board of a city of the metropolitan class to appoint a finance committee and a facilities committee from among its members and appoint other committees as needed. The library board is also required to publicize and hold regular monthly meetings that are open to the public and subject to the open meetings act.

**Section 3:** Amends section 51-211 by adding a new subsection (2) which will allow a library board of a city of the metropolitan class to appoint a library director to oversee the library facilities and any appointed librarians and assistants. The library board has the authority to set the compensation of the library director, who will be serving at the pleasure of the board. This section also makes all actions of the library board binding on the library director.

**Section 4:** Amends section 51-213 to require the library board of a city of the metropolitan class to submit the report required under subsection (1) of this section on or before December 15<sup>th</sup> of each year to the city council. Subsection (1) currently requires the library board of a city to make a report to the city council or village board on or before the second Monday in February of each year, and new language added here makes an exception for the new language added in subsection (2) that applies only to cities of the metropolitan class.

**Section 5:** This is the repealer section.

**LB 1256** was indefinitely postponed.

**LB 1268 (Bostar)** Remove the prohibition that a lottery ticket cannot be sold through a vending or dispensing device under the State Lottery Act.

**LB 1268** is a bill to allow lottery tickets to be sold through a vending machine or other similar device.

**Section 1:** Amends section 9-829 to strike one sentence that prohibits lottery tickets from being sold through a vending machine or dispensing device, which would have the effect of allowing lottery tickets to be sold in this manner.

**Section 2:** This is the repealer section

**LB 1268** was indefinitely postponed.

## **II. Confirmation Appointments**

The General Affairs Committee heard from seven appointees to the Nebraska Arts Council in 2022.

1. Alec Gorynski, reappointment to the council.
2. Amy Haddad, reappointment to the council.
3. Ellen Hornady, reappointment to the council.
4. Sarah Peetz, reappointment to the council.
5. Walter Seiler, reappointment to the council.
6. Dr. Clark Rousch, new appointee to the council.
7. Jana Goranson, new appointee to the council.



### **III. Interim Studies**

**LR 337:** Interim study to examine laws relating to brand registration of alcoholic beverages of all types and varieties.

Introduced by Senator Tom Briese, 41.

**PURPOSE:** The purpose of this resolution is to propose an interim study to examine laws relating to brand registration of alcoholic beverages of all types and varieties, and the submission of certificates of labeling approval as required by the federal government.

**LR 338:** Interim study to examine all licenses issued by the State Racing and Gaming Commission.

Introduced by Senator Tom Briese, 41.

**PURPOSE:** The purpose of this resolution is to propose an interim study to examine all licenses issued by the State Racing and Gaming Commission. This study shall be conducted to fulfill the requirements of section 84-948 and the Occupational Board Reform Act.

**LR 339:** Interim study to examine matters relating to cemeteries in Nebraska.

Introduced by Senator Tom Briese, 41.

**PURPOSE:** The purpose of this resolution is to propose an interim study to examine matters relating to cemeteries in Nebraska. This study shall include examination of any and all statutes governing cemeteries of any type across the state.

**LR 340:** Interim study to examine issues within the jurisdiction of the General Affairs Committee.

Introduced by Senator Tom Briese, 41.

**PURPOSE:** The purpose of this resolution is to propose an interim study to examine any issues within the jurisdiction of the General Affairs Committee of the Legislature.

