



Ninety-Eighth Legislature - First Session - 2003
Introducer's Statement of Intent
LB 485

Chairperson: Ray Janssen
Committee: General Affairs
Date of Hearing: February 3, 2003

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 485 makes several changes to the Liquor Control Act with the goal of restructuring retail liquor licenses and fees. The bill has an operative date of May 1, 2004 and provides for the transition of retail licenses in 2004. The bill changes the fees for wholesale and retail liquor licenses, many of which have not been changed since 1935.

The licenses and fees are restructured as follows. Currently, there are the following classes of retail liquor licenses authorized by the act; Class A, B, C, D, D-I, E, F, H, I, J, K and bottle clubs. LB 485 restructures the current licenses and repeals some of them in order to retain five classes of retail licenses; Class A, B, C, D and I. Class D-I, E, F, H, J, K and bottle club licenses would be repealed. Class A licenses remain allowing beer only sales for consumption on the premises, but the restriction allowing for these licenses only in municipalities is removed. The fee for a Class A license is changed to \$100 and the fee distinctions for different sizes of municipalities are removed. Class B licenses remain allowing for beer only sales for consumption off the premises, but the fee is raised from \$25 to \$100. Class C licenses remain allowing for sales of alcoholic liquor for on premise and off premise consumption, but the restriction allowing for these licenses only in municipalities is removed. The Class C license fee is raised from \$250 to \$300. Class D licenses remain allowing for sales of alcoholic liquor for off premise consumption, but the restriction allowing for these licenses only in municipalities is removed. The Class D license fee is raised from \$150 to \$200. Finally, the Class I license remains allowing for sales of alcoholic liquor, but the restriction allowing for these licenses only in municipalities is removed. The fee for a Class I license is raised from \$200 to \$250. LB 485 makes changes throughout the act removing references to the repealed classes of licenses and changing references to the new types of licenses when necessary. LB 485 raises beer wholesaler license fees from \$250 to \$500 and raises alcoholic liquor wholesaler license fees from \$500 to \$750. All liquor licenses are annually renewed.

Next, LB 485 would allow all retail liquor license holders to be eligible for a catering license and raises the fee for the catering license from \$75 to \$100. In addition, the act currently requires all retail liquor license fees, except Class D and D-I license fees, be paid to the city, village, or county treasurer where the license is located. LB 485 would require all new Class D license fees to be paid to the city, village or county treasurer as well. LB 485 would allow non-profit

corporations holding a liquor license to sell to the public in addition to members and guests. Finally, only municipalities are currently limited to charging twice the liquor license fee as an occupation tax on liquor licensees. LB 485 would clarify this language and limit counties to charging twice the license fee for occupation taxes as well.

Principal Introducer:

**Ray Janssen, Chairperson
Committee on General Affairs**