

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 113**

Introduced by Quick, 35.

Read first time January 10, 2025

Committee:

1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend  
2 sections 53-123.01, 53-123.14, 53-123.16, and 53-129, Revised  
3 Statutes Cumulative Supplement, 2024; to change provisions relating  
4 to the rights of a manufacturer's, craft brewery, and  
5 microdistillery license; to harmonize provisions; and to repeal the  
6 original sections.

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

1           **Section 1.** Section 53-123.01, Revised Statutes Cumulative  
2 Supplement, 2024, is amended to read:

3           53-123.01 (1) A manufacturer's license shall allow the manufacture,  
4 storage, and sale of alcoholic liquor to wholesale licensees in this  
5 state and to such persons outside the state as may be permitted by law,  
6 except that nothing in the Nebraska Liquor Control Act shall prohibit a  
7 manufacturer of beer from distributing tax-paid samples of beer at the  
8 premises of a licensed manufacturer for consumption on the premises. A  
9 manufacturer's license issued pursuant to this section shall be the only  
10 license required by the Nebraska Liquor Control Act for the manufacture  
11 and retail sale of beer manufactured on the licensed premises for  
12 consumption on the licensed premises.

13           (2)(a) A licensee who or which first obtains a craft brewery license  
14 pursuant to section 53-123.14, holds such license for not less than three  
15 years, and operates a brewpub or microbrewery on the licensed premises of  
16 such craft brewery license shall obtain a manufacturer's license when the  
17 manufacture of beer on the licensed premises exceeds twenty thousand  
18 barrels per year. The manufacturer's license shall authorize the  
19 continued retail sale of beer for consumption on or off the premises but  
20 only to the extent the premises were previously licensed as a craft  
21 brewery. The sale of any beer other than beer manufactured by the  
22 licensee, wine, or alcoholic liquor for consumption on the licensed  
23 premises shall require the appropriate retail license. The holder of such  
24 manufacturer's license may continue to operate up to ten ~~five~~ retail  
25 locations which are in operation at the time such manufacturer's license  
26 is issued and shall divest itself from retail locations in excess of ten  
27 ~~five~~ locations. The licensee shall not begin operation at any new retail  
28 location even if the licensee's production is reduced below twenty  
29 thousand barrels per year.

30           (b) The holder of such manufacturer's license may obtain an annual  
31 catering license pursuant to section 53-124.12, a special designated

1 license pursuant to section 53-124.11, or an entertainment district  
2 license pursuant to section 53-123.17.

3 (3) A holder of a manufacturer's license to manufacture spirits may  
4 operate a rickhouse that meets the requirements for a distilled spirit  
5 plant pursuant to 26 U.S.C. 5178, as such section existed on January 1,  
6 2024, if such manufacturer receives authorization from the commission and  
7 notifies the commission of the location of such rickhouse in a manner  
8 prescribed by the commission.

9 **Sec. 2.** Section 53-123.14, Revised Statutes Cumulative Supplement,  
10 2024, is amended to read:

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

31 (2)(a) A holder of a craft brewery license may directly sell for

1 resale up to two hundred fifty barrels per calendar year of beer produced  
2 at its licensed premises directly to retail licensees located in the  
3 State of Nebraska which hold the appropriate retail license if the holder  
4 of the craft brewery license:

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

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

12 (iii) Complies with all relevant statutes, rules, and regulations  
13 that apply to Nebraska beer wholesalers regarding distribution of such  
14 beer.

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

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

27 (4) The commission may adopt and promulgate rules and regulations  
28 pertaining to distribution rights of craft brewery licensees.

29 **Sec. 3.** Section 53-123.16, Revised Statutes Cumulative Supplement,  
30 2024, is amended to read:

31 53-123.16 (1) Any person who operates a microdistillery shall obtain

1 a license pursuant to the Nebraska Liquor Control Act. A license to  
2 operate a microdistillery shall permit the licensee to produce a maximum  
3 of one hundred thousand gallons of liquor per year in the aggregate from  
4 all physical locations comprising the licensed premises. For purposes of  
5 this section, licensed premises may include up to ten ~~five~~ separate  
6 physical locations. A microdistillery may also sell to licensed  
7 wholesalers for sale and distribution to licensed retailers. A  
8 microdistillery license issued pursuant to this section shall be the only  
9 license required by the Nebraska Liquor Control Act for the manufacture  
10 and retail sale of microdistilled product for consumption on or off the  
11 licensed premises, except that the sale of any beer, wine, or alcoholic  
12 liquor, other than microdistilled product manufactured by the  
13 microdistillery licensee, by the drink for consumption on the  
14 microdistillery premises shall require the appropriate retail license.  
15 Any license held by the operator of a microdistillery shall be subject to  
16 the act. A holder of a microdistillery license may obtain an annual  
17 catering license pursuant to section 53-124.12, a special designated  
18 license pursuant to section 53-124.11, an entertainment district license  
19 pursuant to section 53-123.17, or a promotional farmers market special  
20 designated license pursuant to section 53-124.16. The commission may,  
21 upon the conditions it determines, grant to any microdistillery licensed  
22 under this section a special license authorizing the microdistillery to  
23 purchase and to import, from such persons as are entitled to sell the  
24 same, wines or spirits to be used solely as ingredients and for the sole  
25 purpose of blending with and flavoring microdistillery products as a part  
26 of the microdistillation process.

27 (2) A holder of a microdistillery license may directly sell for  
28 resale up to five thousand ~~hundred~~ gallons per calendar year of  
29 microdistilled products produced at its licensed premises directly to  
30 retail licensees located in the State of Nebraska which hold the  
31 appropriate retail license if the holder of the microdistillery license:

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

3 (b) Complies with all relevant statutes, rules, and regulations that  
4 apply to Nebraska wholesalers regarding distribution of microdistilled  
5 products.

6 (3) A holder of a microdistillery license may store and warehouse  
7 tax-paid products produced on such licensee's licensed premises in a  
8 designated, secure, offsite storage facility if the holder of the  
9 microdistillery license receives authorization from the commission and  
10 notifies the commission of the location of the storage facility and  
11 maintains, at the microdistillery and at the storage facility, a separate  
12 perpetual inventory of the product stored at the storage facility.  
13 Consumption of alcoholic liquor at the storage facility is strictly  
14 prohibited.

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

20 (5) The commission may adopt and promulgate rules and regulations  
21 relating to the distribution rights of microdistillery licensees.

22 **Sec. 4.** Section 53-129, Revised Statutes Cumulative Supplement,  
23 2024, is amended to read:

24 53-129 (1) Except as otherwise provided in subsection (3) of this  
25 section, retail, bottle club, craft brewery, and microdistillery licenses  
26 issued under the Nebraska Liquor Control Act apply only to that part of  
27 the premises described in the application approved by the commission and  
28 in the license issued on the application. For retail and bottle club  
29 licenses, only one location shall be described in each license. For craft  
30 brewery and microdistillery licenses, up to ten ~~five~~ separate physical  
31 locations may be described in each license.

1           (2) After such license has been granted for the particular premises,  
2 the commission, with the approval of the local governing body and upon  
3 proper showing, may endorse upon the license permission to add to, delete  
4 from, or abandon the premises described in such license and, if  
5 applicable, to move from the premises to other premises approved by the  
6 local governing body. In order to obtain such approval, the retail,  
7 bottle club, craft brewery, or microdistillery licensee shall file with  
8 the local governing body a request in writing and a statement under oath  
9 which shows that the premises, as added to or deleted from or to which  
10 such move is to be made, comply in all respects with the requirements of  
11 the act. No such addition, deletion, or move shall be made by any such  
12 licensee until the license has been endorsed to that effect in writing by  
13 the local governing body and by the commission and the licensee furnishes  
14 proof of payment of the renewal fee prescribed in subsection (4) of  
15 section 53-131.

16           (3)(a) A retail, bottle club, craft brewery, or microdistillery  
17 licensee may apply to the local governing body for a temporary expansion  
18 of its licensed premises to an immediately adjacent area owned or leased  
19 by the licensee or to an immediately adjacent street, parking lot, or  
20 alley, not to exceed fifty days for calendar year 2020 and, for each  
21 calendar year thereafter, not to exceed fifteen days per calendar year.  
22 The temporary area shall otherwise comply with all requirements of the  
23 Nebraska Liquor Control Act.

24           (b) The licensee shall file an application with the local governing  
25 body which shall contain (i) the name of the applicant, (ii) the premises  
26 for which a temporary expansion is requested, identified by street and  
27 number if practicable and, if not, by some other appropriate description  
28 which definitely locates the premises, (iii) the name of the owner or  
29 lessee of the premises for which the temporary expansion is requested,  
30 (iv) sufficient evidence that the licensee will carry on the activities  
31 and business authorized by the license for himself, herself, or itself

1 and not as the agent of any other person, group, organization, or  
2 corporation, for profit or not for profit, (v) a statement of the type of  
3 activity to be carried on during the time period for which a temporary  
4 expansion is requested, and (vi) sufficient evidence that the temporary  
5 expansion will be supervised by persons or managers who are agents of and  
6 directly responsible to the licensee.

7 (c) No temporary expansion provided for by this subsection shall be  
8 granted without the approval of the local governing body. The local  
9 governing body may establish criteria for approving or denying a  
10 temporary expansion. The local governing body may designate an agent to  
11 determine whether a temporary expansion is to be approved or denied. Such  
12 agent shall follow criteria established by the local governing body in  
13 making the determination. The determination of the agent shall be  
14 considered the determination of the local governing body unless otherwise  
15 provided by the local governing body.

16 (d) For purposes of this section, the local governing body shall be  
17 that of the city or village within which the premises for which the  
18 temporary expansion is requested are located or, if such premises are not  
19 within the corporate limits of a city or village, then the local  
20 governing body shall be that of the county within which the premises for  
21 which the temporary expansion is requested are located.

22 (e) The decision of the local governing body shall be final. If the  
23 applicant does not qualify for a temporary expansion, the temporary  
24 expansion shall be denied by the local governing body.

25 (f) The city, village, or county clerk shall deliver confirmation of  
26 the temporary expansion to the licensee upon receipt of any fee or tax  
27 imposed by such city, village, or county.

28 **Sec. 5.** Original sections 53-123.01, 53-123.14, 53-123.16, and  
29 53-129, Revised Statutes Cumulative Supplement, 2024, are repealed.