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FLOOR DEBATE

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advancement of LB 205.

SENATOR JANSSEN: Thank you, Senator Cudaback. Members of the Legislature, LB 205 makes several simple changes to the Nebraska Liquor Control Act covering three different areas affecting wholesalers. The first issue the bill addresses is changing the liquor and beer wholesalers' ability to provide sampling at different locations. Sampling allows wholesalers to give a small amount of tax-paid samples of products to retailers and their employees. This allows the employees and the owners the chance to try the product to see if they want to carry them, or offer advice to customers. When we're talking about sampling in this situation, it does not include sampling to customers, only to the owners and their employees. Under the current language, both liquor and beer wholesalers can have sampling of liquor or beer on the wholesalers' premises. In addition, a liquor wholesaler can have sampling of wine on the premises of a retailer with a Class D, which is liquor off sale, or a Class K license, which is wine off sale. This bill would help wholesalers serve the retailers by also allowing beer and liquor wholesalers to provide sampling at the premises of a retailer, regardless of whether their license is for consumption on or off the premises or both. This will allow wholesalers a better...to better serve their retailers by making samples more convenient to them. Next, LB 205 adds language to the act that (sic) handling of situations involving the collection of unpaid debts on liquor inventory when the inventory is sold with a business. This provision was removed by the committee amendments, which I'll talk about a little later. Originally under this section, the bill will set up...would set up a procedure to be followed when the holder of a retail liquor license proposes to sell their business, including the liquor inventory, and the seller still owes a debt on the inventory that they will not pay. The bill required the sellers to provide the buyer with the names of wholesalers to whom they owe the debt. The buyer had to give notice to the wholesalers of the sale of inventory and of the transfer. If the seller was not willing to pay the existing debt out of proceeds of the sale, the buyer and the seller would then have to agree to either allow the wholesalers to take possession of the goods prior to the sale, or the buyer must agree in advance of transfer to assume the unpaid obligation.