

**ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011**  
**COMMITTEE STATEMENT**  
**LB279**

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**Hearing Date:** Monday January 24, 2011  
**Committee On:** General Affairs  
**Introducer:** Karpisek  
**One Liner:** Change provisions regarding an interest in licensed wholesalers under the Nebraska Liquor Control Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	7	Senators Bloomfield, Brasch, Coash, Karpisek, Larson, McGill, Schumacher
<b>Nay:</b>	1	Senator Krist
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Proponents:**

Sen. Russ Karpisek  
Hobie Rupe  
Joe Kohout  
Diane Riibe

**Representing:**

Introducer  
Liquor Control Commission  
Associated Beverage Distributors of Nebraska  
Project Extra Mile

**Opponents:**

Amy Prenda  
Tim Keigher

**Representing:**

Anheuser-Busch  
Miller Coors L.L.C.

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

Under current law, there is an exception that allows a beer manufacturer to also own a beer distributorship. LB 279 eliminates this exception in the Liquor Control Act.

This exception is often referred to as the "Storz" exception, named after the Storz Brewing Company that was based in Omaha. The Liquor Control Commission expressed concerns regarding whether this exception should be kept in state law. Nebraska's liquor laws follow a model often referred to as the Three-tier System. Under the Three-tier system, separation is maintained between the manufacturer, distributor, and retailer. This system assists the state in its law enforcement and tax collection efforts. The Commission is asking the Legislature to eliminate the Storz Exception in order to strengthen the integrity of the Three-tier system.

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**Explanation of amendments:**

The committee amendment would allow a beer manufacturer to have an ownership interest in a wholesale operation for two years upon the death or bankruptcy of the wholesaler; or if the wholesaler becomes otherwise ineligible to hold a liquor license.

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Russ Karpisek, Chairperson