

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT (CORRECTED)
LB274

Hearing Date: Monday February 08, 2021
Committee On: General Affairs
Introducer: Lowe
One Liner: Provide for a promotional farmers market special designated license under the Nebraska Liquor Control Act

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

Vote Results:
Aye: 7 Senators Arch, Brandt, Briese, Brewer, Wayne, Lowe, Groene
Nay:
Absent:
Present Not Voting: 1 Senator Cavanaugh, J.

Oral Testimony:

Proponents:
Senator John Lowe
Hobert Rupe
Christy Abraham
Vanessa Silke

Representing:
Introducer
Nebraska Liquor Commission
League of Nebraska Municipalities
Nebraska Craft Breweries Guild

Opponents:

Representing:

Neutral:

Representing:

Submitted Written Testimony:

Proponents:
Justin Brady
Tim Hruza

Representing:
Liquor Wholesalers
Wineries and Grape Growers of Nebraska

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 274 creates a new Special Designated Liquor License, or SDL, to allow for the sale of alcohol at farmers markets. This SDL would be available to farm wineries, craft breweries, and micro-distilleries who are currently licensed as manufacturers of such products, to allow them to sell their products at a farmers market. This SDL also would be valid for the entire year at any farmers market in Nebraska, therefore reducing the amount of paperwork and fees on the manufacturers interested in obtaining the SDL, and reducing the paperwork for the Liquor Control Commission. The fee for this new SDL would be

\$15.00 annually.

Explanation of amendments:

LB 72 was amended by LB 14 and amended into LB 274 by Committee Amendment AM 427.

LB 72 is a bill brought by Senator Geist to allow the sale of mixed drinks or cocktails for consumption off the premises, as is currently allowed by Executive Order 20-09. This bill would make this policy permanent for those holding a Class C or a Class I liquor license. These pre-made cocktails and other alcoholic beverages must be sold in a sealed, tamper-evident container, and not partially consumed, for consumption off the premises of the liquor license holder, meaning to-go or take-out.

AM 14 provides Farm Winery licenses be included with the bill to afford these license holders the same options to sell to-go drinks in sealed containers as the other two licenses listed in the original bill.

LB 578 was amended by AM 314 and amended into LB 274 by Committee Amendment AM427.

LB 578 creates a new statutory category of alcoholic beverage, the ready-to-drink cocktail. The definition of ready-to-drink cocktail means a beverage containing spirits in an original package which contains twelve and one-half percent or less alcohol by volume. Currently, Nebraska taxes these as distilled spirits, at a rate of \$3.75 per gallon. LB 578 proposes to tax ready-to-drink cocktails at thirty-one cents (\$0.31) per gallon, separating them from the distilled spirits category and tax rate.

AM 314 replaces LB 578 and sets the excise tax rate on ready-to-drink cocktails at ninety-five cents (\$0.95) per gallon. It adds the term "confection" to the definition of ready-to-drink cocktails, and it also provides authority for the Liquor Control Commission to adopt and promulgate rules and regulations pertaining to the production and sale of ready-to-drink cocktails as is necessary.

Section 17 of the amendment is the repealer section.

AM 427 also attaches an emergency clause in Section 18.

Public Hearing Testimony on Bills Contained in AM 427

LB 72 Testimony -

Proponents:

Senator Suzanne Geist, Introducer
Zoe Olson, Nebraska Restaurant Association
Dean Hart, Owner, Dino's Family Restaurant
Vanessa Silke, Nebraska Craft Brewers Guild
Richard Hilske, Owner, Cellar 426 Winery
Joe Kohout, Associated Beverage Distributors of Nebraska
Tim Hruza, Nebraska Wineries and Grape Growers Association
Bud Synhorst, President and CEO, LIBA
Kristi Brown, Distilled Spirits Council of the United States
Nicole Fox, Platte Institute
Hobert Rupe, Executive Director, Nebraska Liquor Control Commission

Opponents: None

Neutral: None

Submitted Written Testimony: Opposed, Chris Wagner, Project Extra Mile

Committee Vote on LB 72:

YES: (7) Senators Arch, Brandt, Brewer, Briese, Groene, Lowe, Wayne

Present Not Voting: (1) Senator Cavanaugh, J.

LB 578 Testimony -

Proponents:

Senator Tony Vargas, Introducer

Zac Triemert, President, Brickway Distillery and Brewery

Cody Schmik, Sideshow Spirits, Lincoln

Vanessa Silke, Brickway Distillery and Brewery

Justin Brady, Nebraska Liquor Wholesalers

Kristi Brown, Distilled Spirits Council of the United States

Opponents: None

Neutral:

Hobert Rupe, Executive Director, Nebraska Liquor Control Commission

Kent Rogert, Wine Institute of California

Submitted Written Testimony: Opposed Chris Wagner, Project Extra Mile

Committee Vote on LB 578

Yes: (8) Senators Arch, Brandt, Brewer, Briese, Cavanaugh, J., Groene, Lowe, Wayne

Tom Briese, Chairperson