

Revised due to adoption of amendments on General File

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 1236 amends the Nebraska Liquor Control Act.

LB 1236 would allow craft breweries to directly sell for resale up to 250 barrels per year to retail licenses in Nebraska if the licensee:

- (1) only self-distributes its beer in a territory in which the craft brewery licensee has not entered into a distribution agreement with a licensed Nebraska wholesaler;
- (2) self-distributes its beer utilizing only persons employed by the licensee in vehicles owned and leased by the licensee; and
- (3) complies with all relevant statutes, rules, and regulations that apply to Nebraska beer wholesalers regarding distribution.

Additionally, a licensee can only self-distribute their own beer brewed at its licensed premises and not beer produced by any other licensee.

LB 1236 also would allow craft breweries to store their product in an offsite storage facility after notice to the Nebraska Liquor Control Commission has been provided. The commission can adopt and promulgate rules and regulations related to distribution rights of craft brewery licensees.

As amended by AM1986, LB 1236 also clarifies that maximum production limits for microdistillery licensees refer to an aggregate from all physical locations, which can include up to five physical locations. This incorporates the provisions of LB 900.

AM1986 also amends provisions related to special designated licenses to allow a municipal corporation, a fine arts museum, a religious nonprofit corporation, a political organization, or other nonprofit organizations, all exempt from income taxes, to apply for a special designated license for multiple days at the same location in a single application. The section does not apply to a holder of a catering license. The fee for such license is \$40 for the initial license and \$10 for each additional day beyond the first day at the same location. This incorporates the provisions of LB 899.

The Nebraska Liquor Control Commission estimates some additional enforcement costs related to the provisions of the bill, but estimates the commission can absorb the costs within their existing resources. In addition, the commission estimates a small revenue loss from issuance of the new form of SDL license, but estimates the loss to be minimal. There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
<b>LB: 1236</b>	<b>AM: 1986</b>	<b>AGENCY/POLT. SUB: Nebraska Liquor Control Commission (35)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/24/2022	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Liquor Control Commission (NLCC) estimate of No Fiscal Impact to the Agency from LB 1236, as amended by the General Affairs Committee Amendment – AM 1986, which incorporates provisions of LB 899 and LB 900 into LB 1236..		

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**2022**

**LB<sup>(1)</sup> 1236, AM1986**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Liquor Control Commission

Prepared by: <sup>(3)</sup> LeAnna Prange Date Prepared: <sup>(4)</sup> 2/24/22 Phone: <sup>(5)</sup> 402-471-4892

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL FUNDS</b>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

**Explanation of Estimate:**

NLCC anticipates there may be an increased need for enforcement to verify off-site storage locations in order to confirm security of the taxable product. However, NLCC is unable to determine a cost.

NLCC will absorb additional license applications of micro distillery satellite locations with current staff and resources.

NLCC will use existing staff and resources to issue SDLs of multiple days for nonprofits exempt from federal income tax that qualify. NLCC is unable to estimate the utilization of such a license but assumes the revenue loss will be small.

Therefore, NLCC anticipates no fiscal impact for implementation of LB1236, AM1986.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>				

No fiscal impact.