



Jim Pillen
Governor

STATE OF NEBRASKA

NEBRASKA LIQUOR CONTROL COMMISSION

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UPDATED

November 7, 2024

The Honorable Jim Pillen
Governor of Nebraska
and Senators of the Legislature
State Capitol Building
Lincoln NE 68509

Dear Governor Jim Pillen and Senators,

Pursuant to Neb. Rev. Stat. §53-117(9) it is the duty of the Nebraska Liquor Control Commission "to investigate the administration of laws in relation to alcoholic liquor in this and other states and to recommend to the Governor and through him or her to the Legislature amendments to the Act". The following are our recommendations. Although listed numerically, we believe them to be equally important to further the health, safety, and welfare of the people of Nebraska through the regulation of alcoholic beverages.

1. MANDATORY EDUCATION

The Commission believes that mandatory server training as well as mandatory education for bar owners or bar managers would be a benefit to the overall industry in the area of compliance and information which would lead to benefits for the safety and welfare of the general public. The Commission has seen an increase in violations in the sale of alcohol to minors and in the sale to intoxicated individuals. The Commission feels that mandatory server training will help address this alarming increase in those violations. With the implementation of POSSE, we would have the ability to have our own Education program. Statutory language would need to be updated so fees can be collected from a customer and paid out to the vendors.

2. ALLOW WHOLESALERS TO OBTAIN SHIPPING LICENSES

Currently, Out of State Wholesalers ship alcoholic products from their wholly owned entities to their licensed Wholesale entities in Nebraska. These Out of State Wholesalers do not currently have the ability to obtain licenses. The Commission would like these out of state Wholesalers to obtain a shipping license, so the Commission would have the ability to know what alcoholic products are shipped between these wholesale entities and to ensure all taxes are being paid.

Kim Lowe
Commissioner

Bruce Bailey
Chairman

Harry A. Hoch
Commissioner

3. UPDATE THE BRAND REGISTRATION ACT: EXEMPT OUT OF STATE RETAILERS FROM BRAND REGISTRATION AND CREATE A RENEWAL FEE.

Nebraska allows out of state retailers to ship to Nebraska residents. These products will often be in the marketplace already and it makes sense to exclude out of state retailers from having to register brands as they are not the original importer nor a shipper of a domestically produced product.

In the original drafting of the Brand Registration Act, a renewal fee was assumed, and the Commission believes that it can charge a renewal fee. However, other parties are of the opinion that since a renewal fee was not specifically stated then a renewal fee may not be charged. The Commission requests this confusion be corrected and that a reasonable renewal fee be implemented by statute.

4. TECHNICAL UPDATES TO THE LIQUOR CONTROL ACT

The Commission has adopted and implemented a new agency wide computer managed system called POSSE. In anticipation of that adoption technical updates were implemented. Since implementation we have identified some areas that were missed or not considered. Changes to Neb. Rev. Stat. 53-124(2)(2), 53-130 (1)(1), 53-134 (7), and 53-131.01 are needed.

5. A. 3rd PARTY DELIVERY PERMITS: TO CONSUMERS

There have been issues with third parties taking possession of alcohol and making deliveries for retail licensees. The Commission's lack of authority over these entities is concerning. The Commission believes that those delivering alcohol should have a permit to ensure compliance with training and age requirements.

B. 3RD PARTY DELIVERY PERMITS: TO RETAILERS AND PRIVATE CARRIERS TRANSPORTING WITHIN THE STATE

Neb. Stat. 53-192 allows a person or common carrier to haul/transport alcoholic liquor as long as the required labeling or gauging fee, tax, duty, or license is paid, either in this state or the state where such alcoholic liquor was purchased. The Commission, based on 53-192, has determined private carriers are acting as authorized agents of the underlying liquor license holder and are not required to be permitted by the Commission to transport alcoholic beverages from the Nebraska wholesale distribution warehouse to the Nebraska retail liquor license holder or from the U.S. supplier/importer to the Nebraska wholesale distribution warehouse. However, the Commission has identified enforcement issues with private transport carriers such as multiple cases of alcoholic beverages becoming missing. The Commission has no jurisdiction to provide enforcement. Creating a requirement for these carriers to obtain a permit to transport alcoholic beverages would allow the Commission to have enforcement jurisdiction and would provide additional verification of taxable quantities. The Commission has seen an increase in improperly delivered products and alleged theft by the third part delivery companies.

6. AUCTIONS OF ALCOHOL REQUIRE A PERMIT

The Commission requests statutory authority to permit auctions and auction companies to sell alcoholic beverages if they are part of the auction and the Commission to create rules and regulations in this area. The Commission only anticipates a nominal fee for this permit.

7. INTOXICATING HEMP SHOPS/VAPE SHOPS

Since the change allowing hemp-based products to be sold in Nebraska. The Commission has seen an explosion of shops selling these unregulated products that contain THC of 3% or less. This marketplace is completely unregulated yet allows the sale of a mind-altering product which has similar characteristics to alcohol. Many other states are grappling with this issue as well and placing the retailers and manufactures under the regulation of alcohol beverage control agencies. The Commission believe that Nebraska should follow in those footsteps. Our new software would allow the Commission to readily expand its ability to regulate these products.

8. CANNABIS

If Nebraska makes the decision to allow recreational and/or medical cannabis, the Commission believes it should be regulated in a similar fashion to alcohol and that the Commission should regulate the product. The CAMP project will allow the Commission to effectively license and enforce Cannabis regulation.

9. ADDITIONAL NEBRASKA STATE PATROL INVESTIGATORS

The Nebraska State Patrol (Neb. Rev. Stat. 53-117(3)) provides principal investigation and enforcement services to the Commission. There are currently six (6) full time positions assigned to this division. However, more enforcement resources are needed especially in the urban areas with the highest number of licensed locations. The Commission requests that the NSP Liquor Investigators be increased to nine (9) positions with those positions being assigned to Troop H and Troop A. Nebraska alcohol investigators are carrying a much higher licensee to investigator ratio than most other states and an increase in higher populated troops areas should help address that concern.

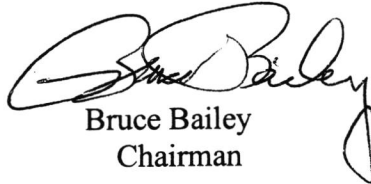
Thank you for your consideration of our recommendations. We will work with you on the drafting of language or provide you with any further information that is requested.

Sincerely,

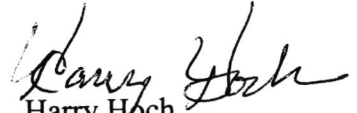
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