



**Pete Ricketts**  
Governor

**STATE OF NEBRASKA**  
**NEBRASKA LIQUOR CONTROL COMMISSION**  
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November 1, 2016

The Honorable, Pete Ricketts  
Governor of Nebraska  
and Senators of the Legislature  
State Capital Building  
Lincoln NE 68509

Dear Governor Pete Ricketts 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 regulations of alcoholic beverages.

- 1) ALCOHOL IMPACT ZONES  
Many jurisdictions utilize Alcohol Impact Zones to minimize problems with chronic public inebriation or illegal activities linked to the sale or consumption of alcohol within a geographic area of a city or town. The Commission believes that a statute granting it the authority to create said zones would benefit the public's health, safety and welfare.
  
- 2) EXCISE TAXES  
The Commission believes that review of the state excise taxes imposed on the manufacture and distribution of alcoholic liquors pursuant to Neb. Rev. Stat. §53-160 is warranted to insure that they are set at an appropriate level and comparable to similar taxes levied by states in the surrounding region. Special attention should be given to the current level of the state excise tax on farm wineries.

**Janice M. Wiebusch**  
Commissioner

**Robert Batt**  
Chairman

**Bruce Bailey**  
Commissioner

- 3) MANDATORY SERVING TRAINING  
The Commission believes a statute requiring mandatory server training of employees of licensees should be enacted. Having all employees involved in the sale or serving of alcohol and complete a certified training course would enhance the overall safety and welfare of the general public.
- 4) SPECIAL DESIGNATED LICENSES ISSUED TO NON-LICENSEES  
Currently, certain entities including non-profit, religious, and political organizations can apply for and receive special designated licenses for the sale and consumption of alcoholic beverages at events ranging from county fairs to community picnics to weddings. The Commission believes that the issuance of a special designated license should be limited to the holders of a retail liquor license as it would promote the public health, safety and welfare. This would insure a level of professionalism in serving of liquor at these events. In the alternative, an annual certification system could be created to provide for preapproval of potential special designated licenses and allow adequate time to confirm that licensees meet the statutory qualifications for issuance of such a license.
- 5) PARTY BUS/LIMO LICENSE  
With the statutory change allowing the consumption of alcohol on the highways, an unintended consequence has been a proliferation of what are fittingly denominated as "Party Buses". This has resulted in an increase of consumption by minors on these party buses. Currently, they are unregulated by the Commission; however, the Commission believes that this activity should be licensed under the Liquor Control Act.
- 6) ALCOHOL ENFORCEMENT  
The Commission believes that Alcohol Enforcement needs to remain a priority. Although the creation of funding for six Nebraska State Patrol Investigator positions has helped, the Commission believes that more State resources need to be allocated to Enforcement of the Nebraska Liquor Control Act.
- 7) LICENSING FEES  
The Commission believes that our license fees including SDL's should be comparable to neighboring states in order to maintain a level playing field, therefore, a review and comparison of licensing and renewal costs should occur.
- 8) MANDATORY SUSPENSION DAYS  
Currently, the Commission may order mandatory closure days in lieu of election to pay off the days in second and subsequent violations of Neb. Rev. Stat. 53-180 or 53-180.02 (See Neb. Rev. Stat. 53-1,104). The Commission believes that this discretion should be extended to all second or subsequent offenses of the Nebraska Liquor Control Act.

- 9) BOTTLE CLUBS  
In 2004, the licensing system in Nebraska was revamped and the old “Bottle-Club” license was removed as it was no longer used and that 53-186.01 covered the issue that a license would be needed to operate a bottle club. There are individuals operating bottle clubs who disagree with the Commission’s interpretation of 53-186.01. The Commission believes that “Bottle Clubs” should be clearly and unambiguously added to the existing statute.
- 10) DIRECT SHIPPING AND COMMON CARRIERS  
Although the State issues licenses to out of state direct shippers, it is often difficult to verify that appropriate tax is being remitted and that shipment is being made by a licensed entity. Other states have addressed these verification issues by requiring third party shippers, such as Fed-Ex and UPS, to file reports on shipments made into the state, so that a proper cross check may be accomplished.
- 11) FARM WINERIES AND PRODUCT NOT PRODUCED AT WINERIES  
Currently, holders of the Farm Winery (Class Y) license may not serve any product other than that made at the winery. As a result, many Farm Wineries use SDL’s to serve other product at special events such as weddings. The Commission believes that the license should be expanded to allow them to sell these products.

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,

NEBRASKA LIQUOR CONTROL COMMISSION

Janice Wiebusch  
Commissioner

Robert Batt  
Chairman

Bruce Bailey  
Commissioner