4-10-2018 hearing



NOTICE

NOTICE is hereby given that the Nebraska Liquor Control Commission will hold a public hearing pursuant to Neb. Rev. Stat. Sec. 84-907, on <u>Tuesday</u>, <u>the 10th day of April, 2018, at 10:00 a.m.</u>, at its offices on the 5th Floor of the State Office Building, located at 301 Centennial Mall, South, Lincoln, Nebraska.

The purpose of the hearing is to take testimony and evidence about Rule 237-LCC1-009.01 (Classification of Alcoholic Liquor), Rule 237-LCC2-005.01A (License Application Requirements), Rule 237-LCC3-001.02A and Rule 237-LCC3-001.02B (Corporation/Partnerships), Rule 237-LCC6-015.01B, Rule 237-LCC6-019.01P2, Rule 237-LCC6-019.01W1 (License Operations), Rule 237-LCC13-005.02 (Farm Wineries), Rule 237-LCC14-004.01C (Minimum Standards for Alcohol Server Training Programs). The subject matter and scope of the rule-making action is:

1. The repeal of obsolete statutes, updated rules to reflect statutory changes, technical and editing language.

Draft or working copies of the proposed rules are available at the office of the Nebraska Liquor Control Commission, or at the office of the Secretary of State, Regulations Division, 1201 N Street, Suite 120, Lincoln, NE 69508. There is no expected fiscal impact from adopting this rule on state agencies, or political subdivisions.

All interested persons may attend and testify orally or by written submission at the hearing. Interested persons may also submit written comments prior to hearing which will be made part of the hearing record at the time of hearing if received by the Nebraska Liquor Control Commission on or before April 10, 2018. If auxiliary aids or reasonable accommodations are needed to participate in the hearing, please call the Commission at (402) 471-2571 a minimum of ten (10) days prior to the date of hearing.

Dated this _____ day of February, 2018.

NEBRASKA LIQUOR CONTROL COMMISSION

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(Executive Director)

CHAPTER 1 – PRACTICE AND PROCEDURE

009 CLASSIFICATION OF ALCOHOLIC LIQUOR

009.01 For the purpose of the classification of flavored malt beverages, the Nebraska Liquor Control Commission shall utilize the same classification as adopted by the Alcohol and Tobacco Trade and Tax Bureau ("TTB") found at 27 CFR Parts 7 and 25 ("Flavored Malt Beverage and Related Regulatory Amendments") which went into effect January 3, 2006. If anyone believes that the determination made by the Commission is in error they may request a declaratory ruling under Chapter 1 003.02.

CHAPTER 2: REQUIREMENTS FOR LICENSEES

005 LICENSE APPLICATION REQUIREMENT

005.01A

For corporations, fingerprints are required of the Chief Executive Officer, the manager, or any stockholder owning in the aggregate more than twenty-five percent of the stock of such corporation. For nonprofit corporations and governmental subdivision, this shall only mean the manager. [No citizenship or residency requirements per Sec. 53-125(9)]

CHAPTER 3 – CORPORATIONS/PARTNERSHIPS

001 RESIDENT MANAGER FOR CORPORATION

001.02A An application triplicate original upon such forms that the Commission may from time to time prescribe;

001.02B A duly executed "Power of Attorney" if the same is to be the person making the application for manager (See 53-126).

CHAPTER 6 – LICENSEE OPERATIONS

015 ACCEPTABLE FORMS OF PAYMENT

015.01B If the business is under a temporary agency agreement temporary operating permit, the new operator shall submit a check with the name of the business. Same criteria as 015.01.

CHAPTER 6 - LICENSEE OPERATIONS

019 ILLEGAL CONDUCT: ALL LICENSEES

019.01P2

A retail licensee and or a holder of a shipping license may deliver or cause to be delivered by its agent, delivery service or common carrier to a consumer alcoholic beverages provided that the consumer has paid the licensee for the alcoholic liquors prior to delivery by cash, credit or debit card, and that the licensee has verified that the sale has not been made to a minor, nor that delivery will be made to a minor. Any package to be delivered by a delivery service or common carrier for the holder of a shipping license shall have a label stating "adult signature required" measuring at least three by five inches in size placed on the package by the licensee.

CHAPTER 6 - LICENSEE OPERATIONS

019.01W SPECIAL DESIGNATED PERMIT/DELIVERY AND RETURN OF ALCOHOLIC BEVERAGES

Delivery and return of alcoholic beverages must be made within seven (7) working days prior and subsequent to the date of the event.

CHAPTER 13 FARM WINERIES

005 Distribution

Farm wineries may ship wines by common carrier to licensed wholesalers. Farm wineries with annual production not exceeding 15,000 30,000 gallons in the prior calendar year may also ship wines by common carrier to licensed retailers, and to consumers.

CHAPTER 14 - MINIMUM STANDARDS FOR ALCOHOL SERVER TRAINING PROGRAMS

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	STATUTORY	CODE
SUBJECT	AUTHORITY	SECTION
Application to be a certified program	53-177.03 001 <u>53-117.03</u>	001
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Management Training Program	53-177.03 002 <u>53-117.03</u>	002
Minimum Standards for Alcohol		
Server Training Programs	53-177.03 001 <u>53-117.03</u>	001
Term of Certification	53-177.03 004 <u>53-117.03</u>	004

CHAPTER 14 MINIMUM STANDARDS FOR ALCOHOLIC SERVER TRAINING PROGRAMS

004 TERM OF CERTIFICATION

004.01 Certification of servers/managers shall be valid for a maximum of three years.

Recertification shall consist of the same elements of any other program approved by the Commission.

Certified trainers shall provide to the Commission for each individual wishing to be documented as a certified server/manger the following:

- 004.01A Documentation of the date of the trainee's attendance
- 004.01B Documentation of a satisfactory test score
- 004.01C A fee of five fifteen dollars (\$5.00) \$15.00 per trainee. This fee shall be used to maintain a list of certified servers and managers and to support the Commission's own online program.

TITLE 237 - Nebraska Liquor Control Commission

Chapter 15 - Requirements for Cigar Bar-Shop Certification

001 Cigar Bar Shop

001.01 Cigar bar shop means an establishment operated by a holder of a Class C liquor license which:

001.01A Does not sell food.

O01.01B Annually receives ten percent or more of its gross revenues from the sale of cigars and other tobacco products and tobacco-related products.

O01.01B1 Cigar is defined as any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco, other than any roll of tobacco which is a cigarette as defined in Neb. Rev. Stat. § 69-2702.

Other tobacco products shall include, any tobacco, other than cigarettes, intended for consumption by smoking, chewing, or snuff.

O01.01B3 Tobacco related products shall include, lighters, and lighter supplies (fluid, flints, wicks, etc.) cigar humidors, cigar cutters, cigar punches, tobacco pipes, tobacco jars, tobacco pouches, ashtrays, and other non cigarette related smoking paraphernalia.

O01.01C Has a walk-in humidor on the licensed premise. A walk-in humidor shall mean a separate room or enclosure with a door that has the necessary mechanical devices to maintain the humidity and temperature at the appropriate level to store and display cigars. The room shall be large enough to allow two or more adults the ability to enter the humidor and to retail display the cigars and other tobacco products.

001.01D Does not permit the smoking of cigarettes.

O01.01E A sign shall be posted on all entrances to the business, on the outside of each door, in a conspicuous location slightly above or next to the door with the following statement: "SMOKING OF CIGARS AND PIPES IS ALLOWED INSIDE THIS BUSINESS. SMOKING OF CIGARETTES IS NOT ALLOWED."

002 Application for Cigar Bar Shop Certification

- O02.01 Any one desiring a cigar bar shop certification shall file an application for such on a form adopted by the Commission.
- O02.02 Such applicant shall either be a current holder of a Class C Liquor License or have an application for a Class C Liquor License on file with the Commission.

003 Enforcement

- The holder of a cigar bar- shop certification shall file quarterly reports with the Commission showing revenue received from the sale of cigars or other tobacco related products other than cigarettes on forms approved by the Commission. Such reporting dates shall be January 31st, April 30th, July 31st, and October 31st. Tax reports must be filed within 30 days from reporting date.
- O03.02 After at least one complete year of successful filings, the reports shall be filed on an annual basis. Said annual reports must be filed on or before October 31st.
- The holder of a cigar bar shop certification shall be subject to unannounced audits and or inspections by the Commission and failure to comply with said audit or inspection may result in suspension, cancellation or revocation of the liquor license as well as termination of the cigar bar shop certification.
- O03.04 Failure to comply with any provisions of these rules or falsification of any of the required documents may result in the suspension, cancellation or revocation of the liquor license of the certification holder. The Certification may also be terminated.